

TEANECK BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Teaneck, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Teaneck Board of Education
Teaneck, New Jersey
For The Fiscal Year Ended June 30, 2013**

**Prepared by
Business Office**

**TEANECK BOARD OF EDUCATION
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INTRODUCTORY SECTION



TEANECK PUBLIC SCHOOLS

One Merrison Street
Teaneck, New Jersey 07666

November 5, 2013

Honorable President and Members
of the Board of Education
Teaneck Board of Education
County of Bergen, New Jersey

Dear Members of the Board of Education:

I am pleased to submit The Comprehensive Annual Financial Report of the Teaneck School District (hereafter the "District") for the fiscal year ending June 30, 2013. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the "Independent Auditor's Report".

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB No. 14. All funds of the District are included in this report. The Teaneck Public Schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as special education for handicapped students through the age of 21.

In the 2012-2013 fiscal year, the District's official enrollment was 4,133 resident students, which is 65 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

Official Enrollment (Based on the October 15th Application for State School Aid)

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-2013	4,131	-1.5%
2011-2012	4,196	-2.6%
2010-2011	4,308	+2.8%
2009-2010	4,192	-2.1%
2008-2009	4,284	-1.5%
2007-2008	4,350	-2.9%
2006-2007	4,482	-1.0%
2005-2006	4,526	-0.1%
2004-2005	4,531	-2.0%
2003-2004	4,626	-1.3%

These figures exclude enrollments for in-district preschool students and nonpublic school students residing in the township.

2) ECONOMIC CONDITION AND OUTLOOK

The economic environment for the past fiscal year has been characterized by many as the worst economic downturn since the Great Depression of the 1930's. While the economy today is showing some signs of positive economic growth, there are still many uncertainties for the future. The unemployment rate in Teaneck increased from 4.2% to 7.6% from 2008 to 2012, according to the Bureau of Labor Statistics. Per capita income for Bergen County decreased to \$66,096 for 2011, the latest available year, compared to the revised New Jersey Department of Labor and Workforce Development income data of \$68,227 for 2008.

In accordance with mandates by the state, the District's budget continues to include line items for charter school expenditures. In fiscal year 2012-2013, there were three charter schools serving students' kindergarten through 8th grade to which Teaneck students attended, Teaneck Community Charter School, Englewood on the Palisades and Bergen Arts & Science. The 2012-2013 budget included \$4,956,896 expended for tuition and transportation to these charter schools. A new charter school, Shalom Academy was approved by the NJ Department of Education to open during the 2012-2013 school year, however, the school could not lease a suitable facility and their charter was canceled by the New Jersey Department of Education. However, the District had to budget funds in the amount of \$1,437,711 for tuition and raise those funds through the Local Tax Levy even though the school did not open during the 2012-2013 fiscal year.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 86.2% of the 2012-2013 budget. The reliance on the local taxpayers to fund the majority

of the District's budget will likely continue under the provisions of the School Funding Reform Act of 2008. According to the NJ Department of Education, Office of School Funding, the District's tax levy exceeds the Local Fair Share and the district's total budget exceeds the "adequacy model" used to calculate state aid.

3) MAJOR INITIATIVES

As the stewards of our children's educational future, the District has high expectations of each teacher, administrator and all support personnel; an expectation that only excellence will be acceptable in the provision of the educational program in the coming years. We have high expectations for our community partners and parents that they will engage with us in this educational effort providing much needed support to our system and children. We have high expectations and high demands for our students that they will come to school each day with a willingness and desire to learn and to work hard to obtain the knowledge and experiences offered to them.

Instructional Initiatives

GOAL 1: Students attending the Teaneck Public Schools will acquire the skills, knowledge and understandings in order to be successful in the twenty first century.

GOAL 2: Teachers and administrators in the Teaneck Public Schools will acquire the skills, knowledge and understanding necessary to support student achievement.

GOAL 3: The environment in the Teaneck Public Schools will be safe and respectful, with students and adults appreciative of the unique contributions of members of the community.

GOAL 4: The Teaneck Public Schools will seek alternative funding sources, efficiencies and policies that preserve and develop effective programs while respecting community resources.

GOAL 5: The Teaneck Public Schools will continue to improve/enhance communication between schools and between schools and parents in order to support student achievement and social success.

Facilities Initiatives

During the past few years the District began the implementation a five year plan for roof replacements for all of its eight (8) buildings. To date the roofs have been replaced at Lowell School, Whittier School, Thomas Jefferson Middle School, Eugene Field School Administration Building and the first phase at Teaneck High School. The District received grant funds in the amount of 40% of the approvable cost from the NJ Schools Development Authority (NJSDA) for both the Eugene Field Administration Building and Teaneck High School projects. During the summer of 2013, the District completed the second phase at Teaneck High School and Benjamin Franklin Middle School using funds from the Capital Reserve. The Bryant and Hawthorne Schools are scheduled to take place over the next five years provided that the District can secure either NJSDA grant funding or deposit sufficient funds in the Capital Reserve account.

The District received an Energy Audit grant during the 2010-2011 fiscal year from the NJ Clean Energy Program and subsequently performed an Energy Audit in order to evaluate potential ECRM projects (Energy Conservation Retrofit Measures). As a follow up to the Audit, the District and the Board's Architect developed an Energy Savings Improvement Program (ESIP) as a model to implement these projects throughout the District. The Board approved the projects and secured funding by issuing ESIP bonds in the amount of \$8,180,000 in March 2012. The projects include Lighting Retrofits, Boiler Replacements, Installation of Digital Temperature Controls, Replacement of

Rooftop HVAC Units, Replacement of Hot Water Heaters and Chiller units. The goal is to reduce energy usage and utility expenses and use the savings to repay the bonds issued over a 15 year period resulting in no cost to the taxpayers. All projects were completed in December 2012.

The District also awarded a Power Purchase Agreement to Hudson Solar Energy for the installation of Ground Mounted Solar Panel Canopies at six (6) of the district's buildings. The contractor installed the solar panel canopies at no cost to the District and in return the District will receive electricity generated by the systems at a reduced rate for a fifteen (15) year period. The contractor will also be able to use the clean renewable energy generated by the solar panel systems in order meet their requirements as a utility provider. The solar panel project was completed in March 2013.

The District also completed an asbestos abatement project at Benjamin Franklin Middle School, installed wireless internet at Teaneck High Schools and awarded a contract to install air conditioning in the media center at Thomas Jefferson Middle School.

4) INTERNAL ACCOUNTING CONTROLS

Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by District management.

As a part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS

In addition to the internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Board. Annual appropriated budgets are adopted by the Board for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for capital improvements and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the Financial section of this report.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2013. These are re-appropriated automatically into the following fiscal year, and as a result, increase the approved budget.

6) ACCOUNTING SYSTEM AND REPORTS

The district's accounting records reflect New Jersey Statutes (N.J.S.A. 18:4-14) that requires a uniform system of double-entry bookkeeping consistent with the generally accepted accounting principles, (GAAP) established by GASB for use in all school districts.

The accounting system of the District is organized on the basis of funds in accordance with the Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools. These funds are explained in the Notes to the Financial Statements.

The District continues to maintain a budgetary/finance software package which provides decentralized access to requisitions, purchase order status, account records and program reporting. Appropriate internal controls are established for both purchasing and line item expenditures.

7) DEBT ADMINISTRATION

As of June 30, 2013, the district has four (4) outstanding general obligation bond issues, one (1) outstanding Lease/Purchase obligation and one (1) ESIP obligation bond issue.

The first general obligation issuance was in April 2001 to finance construction projects at Teaneck High School, Benjamin Franklin Middle School and Thomas Jefferson Middle School. The debt maturity is January 2015 and the outstanding principal is \$895,000.

The second general obligation issuance was in February 2002 and also matures in January 2015. This was a refinancing of a previous bond issuance and the outstanding principal balance is \$795,000.

The third general obligation issue, financed in February 2003, relates to the district's Early Retirement Pension Obligation. Previously, this obligation had been funded through the general current expense budget; however, funding the obligation through debt service was made possible in fiscal year 2003 by an act of the New Jersey Legislature. This issue has an 18-year repayment schedule that matures in January 2021. The outstanding principal balance is \$3,585,000. The District approved a refunding bond ordinance to reduce interest payments for the remaining 8 years of this bond issue. The district closed on the bond sale in August 2013.

Finally, the fourth general obligation issuance is the refinancing of callable bonds issued in April 2001. The bonds were issued in July 2006 and mature in January 2031. The principal balance outstanding is \$9,170,000.

The Lease/Purchase obligation was issued in March 2011 to finance the first phase of roof replacement at Teaneck High School. The debt matures in June 2016 and the outstanding principal balance is \$794,302.

The Energy Savings Improvement Program (ESIP) obligation bonds were issued in March 2012 with a maturity date of June 2027 and the outstanding principal balance is \$7,885,000. The bonds will finance the energy conservation measures throughout the district's schools. The reduction to utility costs accruing from these conservation measures will be used to repay the bonds, resulting in no cost to the taxpayers.

8) CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in the Notes to the Financial Statements. The District has adopted a cash management plan which requires it to

deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 by the New Jersey State Legislature to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT

The District is a member of the Northeast Bergen County School Boards Insurance Group (NESBIG), a joint insurance pool comprised of forty-five (45) school districts, for its entire insurance coverage, including but not limited to workers' compensation, general liability, fidelity bonds, automobile liability and comprehensive/collision, hazard and theft insurance for property and contents.

10) INDEPENDENT AUDIT

New Jersey State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

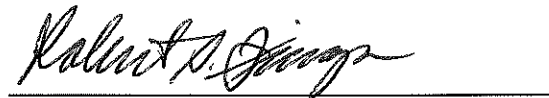
11) ACKNOWLEDGEMENTS

The administration wishes to express its appreciation to the entire business office staff, whose continued efforts and tenacity to ensure the implementation of GAAP, board policies and regulations make the efficient operation of the District possible. The Business Office staff wishes to thank the school district auditors for their technical expertise and for providing accounting guidance in general, and for this report in particular.

Respectfully Submitted,



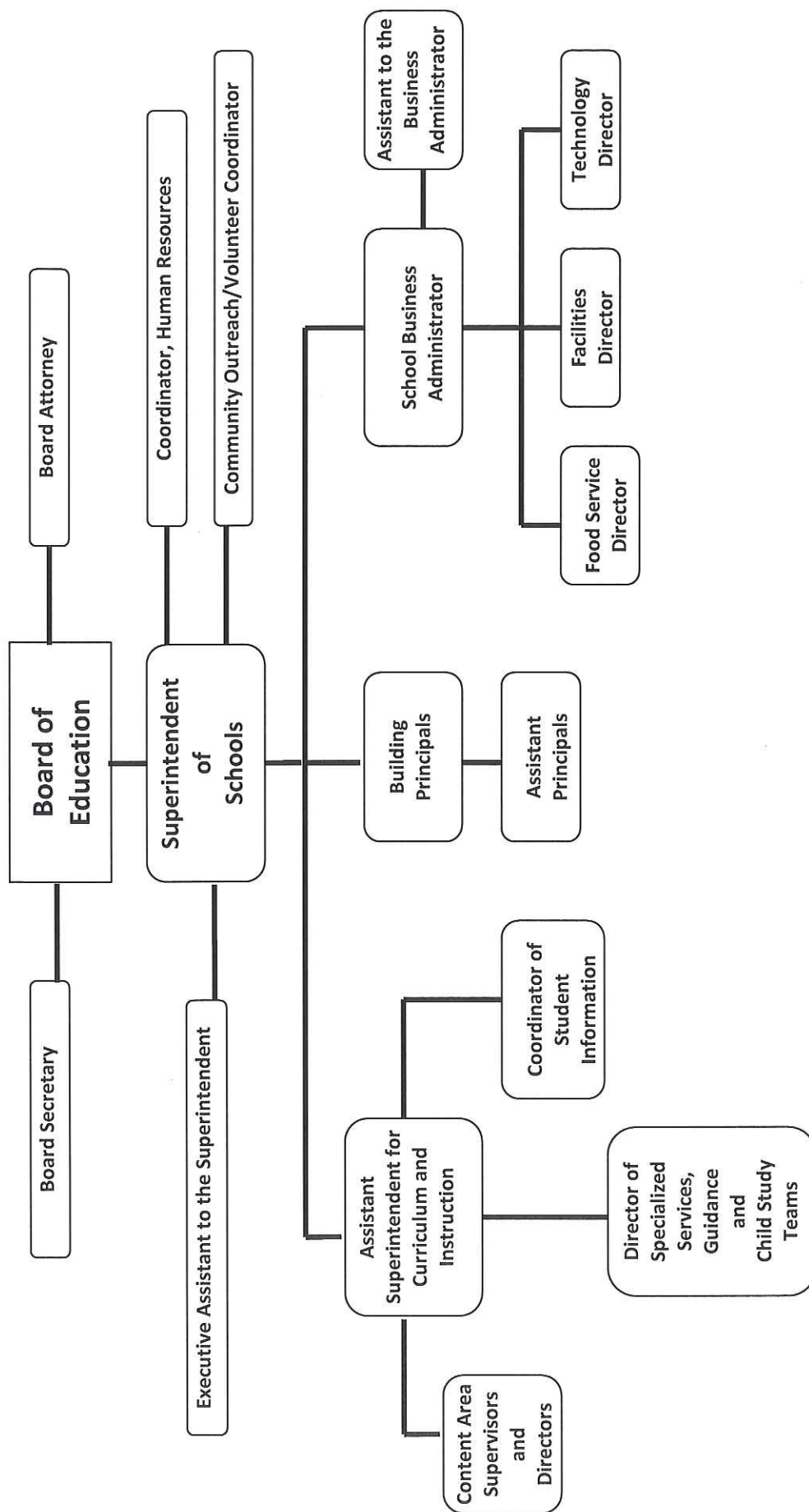
Barbara Pinsak
Superintendent of Schools



Robert S. Finger, CFE, CGFM, QPA
Business Administrator/Board Secretary



Teaneck Public Schools Administrative Organizational Chart 2012-2013





TEANECK BOARD OF EDUCATION
TEANECK, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2013

MEMBERS OF THE BOARD

TERM EXPIRES

Dr. Ardie Walser, President	2014
Gervonn Rice, Vice President	2015
Margot Embree Fisher	2013
Dr. David Gruber	2015
Sarah Rappoport	2015
Sebastian Rodriguez	2013
Howard Rose	2014
Clara Williams	2014
Shelley Worrell	2013

OTHER OFFICIALS

Barbara Pinsak, Superintendent of Schools

Robert S. Finger, Business Administrator/Board Secretary

Karla Starks, Assistant to the Business Administrator/Assistant Board Secretary

Anthony Bianchi, Treasurer of School Monies



**TEANECK PUBLIC SCHOOLS
TEANECK, NEW JERSEY**

Consultants and Advisors

Attorney

Adams, Gutierrez & Lattiboudere
1037 Raymond Boulevard
Newark, NJ 07102

Auditor

Lerch, Vinci & Higgins
17-17 Route 208
Fair Lawn, NJ 07410

Architect

DiCara/Rubino
30 Galesi Drive
Wayne, NJ 07470

Health Insurance Broker

Brown & Brown
80 Lambert Lane
Lambertville, NJ 08530

Official Depository

Capital One Bank
450 Hackensack Avenue
Hackensack, NJ 07601

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Teaneck Board of Education
Teaneck, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

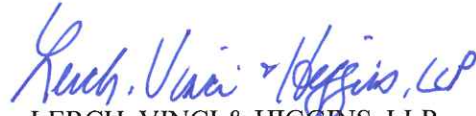
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Teaneck Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Teaneck Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 2013 on our consideration of the Teaneck Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Teaneck Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 5, 2013

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

This section of the Teaneck Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-2013 fiscal year include the following:

- The assets and deferred outflows of resources of the Teaneck Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$29,186,432 (net position).
- Overall revenues were \$99,385,175. General revenues accounted for \$79,911,268 or 80% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$19,473,907 or 20% of total revenues.
- The school district had \$98,953,782 in expenses; only \$19,473,907 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) and available net position were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,395,908.
- The General Fund fund balance at June 30, 2013 was \$8,879,027 a decrease of \$76,638 when compared with the fund balance at July 1, 2012.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

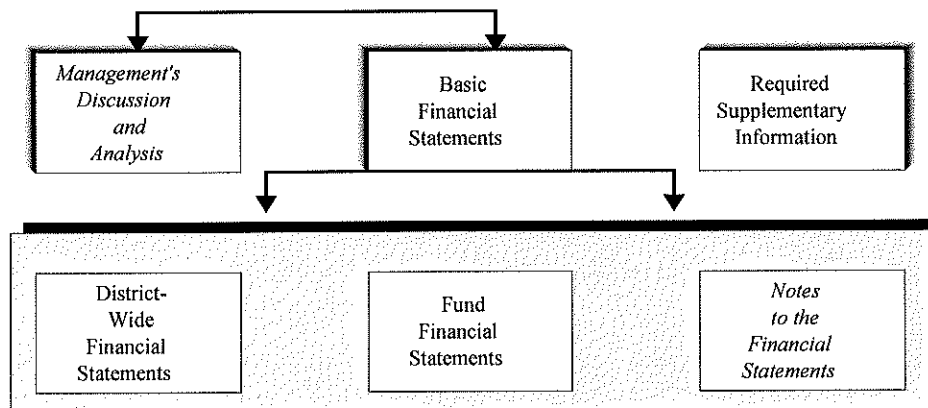
OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
 - Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.
 - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1



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Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular instruction, special Education and building maintenance	Activities the district operates similar to private businesses: Enterprise Funds	Instances in which the district administers resources on behalf of someone else, such as Unemployment, Payroll Agency, and Student Activities
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting And current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset/deferred inflows/outflows of resources/liability information	All assets, deferred inflows/outflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources are expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred inflows/outflows of resources and liabilities, both financial and capital, and short-term and long-Term	All assets, deferred inflows/outflows of resources and liabilities, both short-term and long-term funds do not currently contain capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

District-wide financial statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows/outflows of resources and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

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District-wide financial statements (continued)

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and Community School Fund are included under this category.

Fund financial statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Fund financial statements (continued)

Enterprise Funds – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two enterprise funds:

- Food Service (Cafeteria)
- Community School

• *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,186,432 as of June 30, 2013. See Table A-1.

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Management's Discussion and Analysis

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1
Statement of Net Position
As of June 30, 2013 and 2012

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u> (Restated)
Assets						
Current Assets	\$ 11,118,529	\$ 18,410,301	\$ 428,838	\$ 375,650	\$ 11,547,367	\$ 18,785,951
Capital Assets	<u>46,093,807</u>	<u>41,367,432</u>	<u>67,630</u>	<u>81,353</u>	<u>46,161,437</u>	<u>41,448,785</u>
Total Assets	<u>57,212,336</u>	<u>59,777,733</u>	<u>496,468</u>	<u>457,003</u>	<u>57,708,804</u>	<u>60,234,736</u>
Deferred Outflows of Resources						
Deferred Charges on Refunding of Debt	<u>256,554</u>	<u>269,915</u>	<u>-</u>	<u>-</u>	<u>256,554</u>	<u>269,915</u>
Total Deferred Outflows	<u>256,554</u>	<u>269,915</u>	<u>-</u>	<u>-</u>	<u>256,554</u>	<u>269,915</u>
Total Assets and Deferred Outflows	<u>57,468,890</u>	<u>60,047,648</u>	<u>496,468</u>	<u>457,003</u>	<u>57,965,358</u>	<u>60,504,651</u>
Other Liabilities	713,493	2,084,773	344,399	404,171	1,057,892	2,488,944
Long-Term Liabilities	<u>27,721,023</u>	<u>29,255,639</u>	<u>-</u>	<u>-</u>	<u>27,721,023</u>	<u>29,255,639</u>
Total Liabilities	<u>28,434,516</u>	<u>31,340,412</u>	<u>344,399</u>	<u>404,171</u>	<u>28,778,915</u>	<u>31,744,583</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>11</u>	<u>5,029</u>	<u>11</u>	<u>5,029</u>
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>11</u>	<u>5,029</u>	<u>11</u>	<u>5,029</u>
Total Liabilities and Deferred Inflows	<u>28,434,516</u>	<u>31,340,412</u>	<u>344,410</u>	<u>409,200</u>	<u>28,778,926</u>	<u>31,749,612</u>
Net Position						
Net Investment in Capital Assets	27,689,490	29,832,741	67,630	81,353	27,757,120	29,914,094
Restricted	3,236,970	1,191,255			3,236,970	1,191,255
Unrestricted	<u>(1,892,086)</u>	<u>(2,316,760)</u>	<u>84,428</u>	<u>(33,550)</u>	<u>(1,807,658)</u>	<u>(2,350,310)</u>
Total Net Position	<u>\$ 29,034,374</u>	<u>\$ 28,707,236</u>	<u>\$ 152,058</u>	<u>\$ 47,803</u>	<u>\$ 29,186,432</u>	<u>\$ 28,755,039</u>

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2013 and 2012

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program Revenues						
Charges for Services	\$ 166,653	\$ 205,243	\$ 1,350,680	\$ 1,469,851	\$ 1,517,333	\$ 1,675,094
Operating Grants and Contributions	17,291,743	16,260,691	664,831	656,447	17,956,574	16,917,138
Capital Grants and Contributions		504,250			-	504,250
General Revenues						
Property Taxes	79,546,326	79,235,126			79,546,326	79,235,126
Other	364,942	281,940	-	-	364,942	281,940
Total Revenues	<u>97,369,664</u>	<u>96,487,250</u>	<u>2,015,511</u>	<u>2,126,298</u>	<u>99,385,175</u>	<u>98,613,548</u>
Expenses						
Instruction						
Regular	33,576,131	32,671,988			33,576,131	32,671,988
Special Education	17,934,087	16,711,830			17,934,087	16,711,830
Other Instruction	4,049,272	4,061,728			4,049,272	4,061,728
Support Services						
Student and Instruction Related Serv.	14,780,095	14,361,913			14,780,095	14,361,913
School Administrative Services	4,257,991	4,189,822			4,257,991	4,189,822
General Administrative Services	1,494,069	1,080,471			1,494,069	1,080,471
Plant Operations and Maintenance	8,314,322	9,025,685			8,314,322	9,025,685
Pupil Transportation	4,567,081	4,696,541			4,567,081	4,696,541
Business and Other Support Services	2,125,032	1,993,106			2,125,032	1,993,106
Charter Schools	4,815,127	4,363,312			4,815,127	4,363,312
Interest on Long-Term Debt	1,129,319	920,530			1,129,319	920,530
Food Services			1,202,883	1,397,117	1,202,883	1,397,117
Community School	-	-	708,373	858,905	708,373	858,905
Total Expenses	<u>97,042,526</u>	<u>94,076,926</u>	<u>1,911,256</u>	<u>2,256,022</u>	<u>98,953,782</u>	<u>96,332,948</u>
Change in Net Position	327,138	2,410,324	104,255	(129,724)	431,393	2,280,600
Net Position, Beginning of Year (Restated)	<u>28,707,236</u>	<u>26,296,912</u>	<u>47,803</u>	<u>177,527</u>	<u>28,755,039</u>	<u>26,474,439</u>
Net Position, End of Year	<u>\$ 29,034,374</u>	<u>\$ 28,707,236</u>	<u>\$ 152,058</u>	<u>\$ 47,803</u>	<u>\$ 29,186,432</u>	<u>\$ 28,755,039</u>

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$97,369,664 for the year ended June 30, 2013. Property taxes of \$79,546,326 represented 82% of revenues. Another significant portion of revenues is intergovernmental aid; total State, Federal and formula aid was \$17,291,743. Another source of revenues is miscellaneous income which includes items such as prior year refunds, etc. and charges for services which includes tuition from other LEAs and transportation fees. The balance of the revenues is comprised of charges for tuition and rentals of facilities.

The total cost of all governmental activities programs and services was \$97,042,526. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$55,559,490 or 57% of total expenditures. Student support services, exclusive of administration, total \$14,780,095 or 15% of total expenditures (See Table A-4).

Total governmental activities revenues surpassed expenses, increasing net position \$327,138 from the previous year. This increase is predominantly due to an increase in revenues from state and federal grants obtained by the District.

Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2013

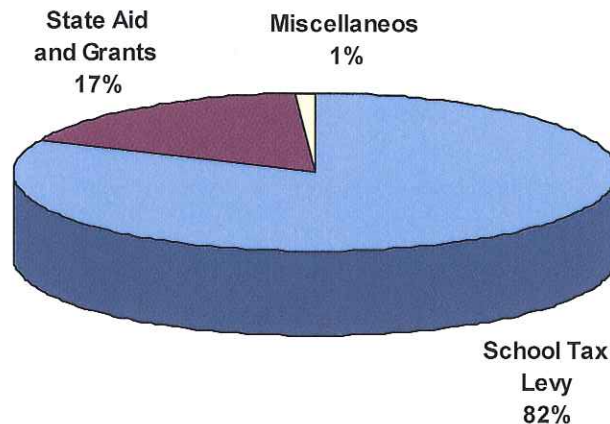
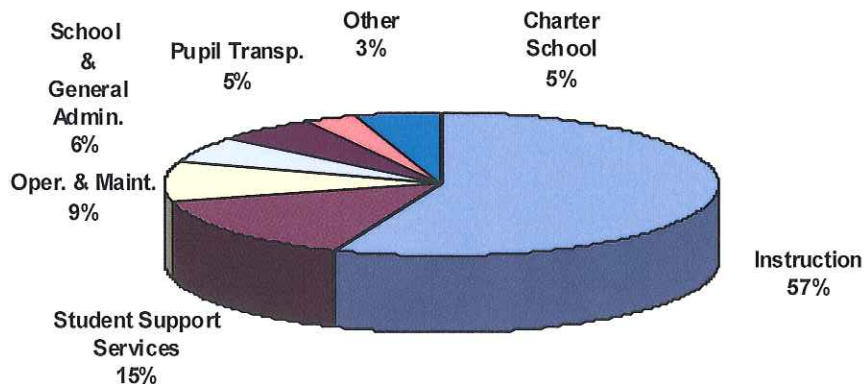


Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2013



Net Cost of Governmental Activities. The District's total cost of services was \$97,042,526 for the fiscal year ended June 30, 2013. After applying program revenues derived from charges for services of \$166,653 and operating grants and contributions of \$17,291,743, the net cost of services of the District was \$79,584,130 for the fiscal year ended June 30, 2013. See Table A-5.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Table A-5
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2013 and 2012

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Instruction				
Regular	\$ 33,576,131	\$ 32,671,988	\$ 27,998,409	\$ 27,865,603
Special Education	17,934,087	16,711,830	11,429,575	10,233,682
Other Instruction	4,049,272	4,061,728	3,355,761	3,478,402
Support Services				
Student and Instruction Related Svcs.	14,780,095	14,361,913	13,447,228	12,665,274
School Administrative Services	4,257,991	4,189,822	3,856,495	3,860,124
General Administrative Services	1,494,069	1,080,471	1,494,069	1,080,471
Plant Operations and Maintenance	8,314,322	9,025,685	7,515,016	7,828,476
Pupil Transportation	4,567,081	4,696,541	2,543,764	2,844,765
Business and Other Support Services	2,125,032	1,993,106	2,125,032	1,966,103
Charter Schools	4,815,127	4,363,312	4,815,127	4,363,312
Interest on Long-Term Debt	1,129,319	920,530	1,003,654	920,530
Total	\$ 97,042,526	\$ 94,076,926	\$ 79,584,130	\$ 77,106,742

Business-Type Activities – The District's total business-type activities revenues were \$2,015,511 for the fiscal year ended June 30, 2013. Charges for services accounted for \$1,350,680, or 67% of total revenues. Operating grants and contributions accounted for \$664,831, or 33% of total revenue for the year.

The total cost of all business-type activities programs and services was \$1,911,256 for the fiscal year ended June 30, 2013. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District and the operation of the after school child care and adult education programs.

Total business-type activities revenues surpassed expenses by \$104,255 increasing net position from \$47,803 at June 30, 2012 to \$152,058 at June 30, 2013.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$10,395,908. As of June 30, 2012, the fund balance was \$16,750,940. This decrease is predominately attributable to an increase of capital expenditures relating to the District's Energy Savings Improvement Program.

Revenues for the District's governmental funds were \$97,243,999, while total expenses were \$103,599,031. The net change in the fund balance for the year was a decrease of \$6,355,032.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a comparison of General Fund Revenues (GAAP basis) for the fiscal years ended June 30, 2013 and 2012:

	Fiscal Year Ended <u>June 30, 2013</u>	Fiscal Year Ended <u>June 30, 2012</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Property Tax Levy	\$ 77,760,542	\$ 77,452,263	\$ 308,279	0%
Tuition	139,183	205,243	(66,060)	-32%
Interest	82,082	19,927	62,155	312%
State and Federal Sources	14,400,923	13,239,453	1,161,470	9%
Miscellaneous	<u>310,330</u>	<u>262,013</u>	<u>48,317</u>	18%
Total General Fund Revenues	<u>\$ 92,693,060</u>	<u>\$ 91,178,899</u>	<u>\$ 1,514,161</u>	2%

Total General Fund Revenues increased by \$1,514,161 or 2% over the previous year.

Local property taxes increased by \$308,279, less than 1% for 2012-2013. State and Federal revenues increased \$1,161,470 or 9%. The increase in State aid revenues is predominantly attributable to increases in State formula aid and the On-Behalf Contributions for TPAF Pension and Post Retirement Benefits. Tuition revenue decreased due to lower enrollments of students sent from other districts. Miscellaneous revenues and interest increased from the previous year.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

The following schedule presents a comparison of General Fund expenditures (GAAP basis) for the fiscal years ended June 30, 2013 and 2012:

	<u>Fiscal Year Ended June 30, 2013</u>	<u>Fiscal Year Ended June 30, 2012</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Instruction	\$ 53,930,927	\$ 51,825,971	\$ 2,104,956	4%
Support Services	32,484,347	32,493,950	(9,603)	0%
Capital Outlay	227,056	112,307	114,749	102%
Debt Service	880,636	400,641	479,995	120%
Charter School	<u>4,815,127</u>	<u>4,363,312</u>	<u>451,815</u>	10%
Total Expenditures	<u>\$ 92,338,093</u>	<u>\$ 89,196,181</u>	<u>\$ 3,141,912</u>	4%

Total General Fund expenditures increased \$3,141,912 or 4% from the previous year. The District experienced increases in expenditures for instruction, charter school, capital outlay and debt service. The increase in capital outlay reflects the acquisition of equipment for support services. The increase in debt service expenditures relates to the principal and interest repayments of the Energy Savings Improvement Program Bonds.

In 2012-2013 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$76,638. As a result, total fund balance decreased to \$8,879,027 at June 30, 2013. After deducting statutory transfers and reserves, the unassigned fund balance on a budgetary basis increased from \$1,663,119 at June 30, 2012 to \$1,704,160 at June 30, 2013.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$2,765,155, for the year ended June 30, 2013. Federal sources accounted for 63% of the total Special Revenue Fund revenue for the year. Total Special Revenue Fund revenues decreased \$256,083 from the previous year. State sources increased \$82,578, while Federal sources decreased \$420,073 and local sources increased \$81,412.

Expenditures of the Special Revenue Fund were \$2,765,155. Instructional expenditures were \$1,617,178 and expenditures for the support services were \$1,122,331 for the year ended June 30, 2013. Capital outlay expenditures totaled \$25,646.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$6,278,395 resulting in a fund balance of \$1,516,879 at June 30, 2013. This decrease is a result of the expenditures related to the District energy savings program. Also, \$607,013 of prior years' SDA grant receivables relating to the alterations to High School and Middle School projects were cancelled in 2012-2013.

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Proprietary Funds

The District maintains an Enterprise Fund to account for activities which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program as well the community school program activities. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories

- Implementing budgets for specially funded projects, which include both federal and state grants, reinstating prior year purchase orders being carried over, and budgeting for clearing, resale, and gifts.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$46,161,437 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, construction in progress, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2012-13 amounted to \$1,464,198 for governmental activities and \$13,724 for business-type activities.

Capital Assets at June 30, 2013 and 2012 (Net of Accumulated Depreciation)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 1,601,471	\$ 1,601,471			\$ 1,601,471	\$ 1,601,471
Improvements Other than Buildings	862,971	676,293			862,971	676,293
Building and Building Improvements	42,202,457	36,687,923			42,202,457	36,687,923
Machinery and Equipment	1,070,115	903,766	\$ 67,630	\$ 81,354	1,137,745	985,120
Construction in Progress	356,793	1,497,979	-	-	356,793	1,497,979
Total Capital Assets, Net	\$ 46,093,807	\$ 41,367,432	\$ 67,630	\$ 81,354	\$ 46,161,437	\$ 41,448,786

Additional information on the District's capital assets are presented in the "Notes to the Financial Statements".

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Management's Discussion and Analysis

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of compensated absences payable of \$3,347,346, bonds payable of \$22,330,000 and obligations under lease purchases/capital leases payable of \$1,003,730.

Additional information of the District's long-term liabilities is presented in the "Notes to the Financial Statements".

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2012-2013 budget. The primary factors included the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2013-2014. Budgeted expenditures in the General Fund increased \$1,631,293 or 2% percent for fiscal year 2013-2014.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary, Teaneck Board of Education, One Merrison Street, Teaneck, NJ 07666.

BASIC FINANCIAL STATEMENTS

**TEANECK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 10,088,645	\$ 369,812	\$ 10,458,457
Receivables, net	1,022,541	52,001	1,074,542
Inventories		5,965	5,965
Prepaid Items	7,343	1,060	8,403
Capital Assets			
Not Being Depreciated	1,958,264		1,958,264
Being Depreciated, Net	<u>44,135,543</u>	<u>67,630</u>	<u>44,203,173</u>
Total Assets	<u>57,212,336</u>	<u>496,468</u>	<u>57,708,804</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding of Debt	<u>256,554</u>	<u>-</u>	<u>256,554</u>
Total Deferred Outflows of Resources	<u>256,554</u>	<u>-</u>	<u>256,554</u>
Total Assets and Deferred Outflows of Resources	<u>57,468,890</u>	<u>496,468</u>	<u>57,965,358</u>
LIABILITIES			
Accounts Payable	584,155	108,537	692,692
Accrued Interest Payable	392,371		392,371
Intergovernmental Payables	62,771		62,771
Unearned Revenue	75,695	235,862	311,557
Noncurrent Liabilities			
Due Within One Year	2,162,638		2,162,638
Due Beyond One Year	<u>25,156,886</u>	<u>-</u>	<u>25,156,886</u>
Total Liabilities	<u>28,434,516</u>	<u>344,399</u>	<u>28,778,915</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	<u>-</u>	<u>11</u>	<u>11</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>11</u>	<u>11</u>
Total Liabilities and Deferred Inflows of Resources	<u>28,434,516</u>	<u>344,410</u>	<u>28,778,926</u>
NET POSITION			
Net Investment in Capital Assets	27,689,490	67,630	27,757,120
Restricted for			
Capital Projects	3,236,968		3,236,968
Debt Service	2		2
Unrestricted	<u>(1,892,086)</u>	<u>84,428</u>	<u>(1,807,658)</u>
Total Net Position	<u>\$ 29,034,374</u>	<u>\$ 152,058</u>	<u>\$ 29,186,432</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 33,576,131		\$ 5,577,722		\$ (27,998,409)		\$ (27,998,409)
Special Education	17,934,087	\$ 139,183	6,365,329		(11,429,575)		(11,429,575)
Other Instruction	4,049,272		693,511		(3,355,761)		(3,355,761)
Support Services							
Student and Instruction Related Services	14,780,095		1,332,867		(13,447,228)		(13,447,228)
School Administrative Services	4,257,991		401,496		(3,856,495)		(3,856,495)
General Administrative Services	1,494,069				(1,494,069)		(1,494,069)
Plant Operations and Maintenance	8,314,322	27,470	771,836		(7,515,016)		(7,515,016)
Pupil Transportation	4,567,081		2,023,317		(2,543,764)		(2,543,764)
Business and Other Support Services	2,125,032				(2,125,032)		(2,125,032)
Charter Schools	4,815,127				(4,815,127)		(4,815,127)
Interest and Other Charges on Long-Term Debt	1,129,319	-	125,665	-	(1,003,654)	-	(1,003,654)
Total Governmental Activities	97,042,526	166,653	17,291,743	-	(79,584,130)	-	(79,584,130)
Business-Type Activities							
Food Service	1,202,883	664,678	618,791			\$ 80,586	80,586
Community School	708,373	686,002	46,040	-	-	23,669	23,669
Total Business-Type Activities	1,911,256	1,350,680	664,831	-	-	104,255	104,255
Total Primary Government	\$ 98,953,782	\$ 1,517,333	\$ 17,956,574	\$ -	(79,584,130)	104,255	(79,479,875)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					77,760,542		77,760,542
Taxes Levied for Debt Service					1,785,784		1,785,784
Investment Earnings					82,082		82,082
Miscellaneous Income					282,860	-	282,860
Total General Revenues					79,911,268	-	79,911,268
Change in Net Position					327,138	104,255	431,393
Net Position, Beginning of Year (Restated)					28,707,236	47,803	28,755,039
Net Position, End of Year					\$ 29,034,374	\$ 152,058	\$ 29,186,432

The accompanying Notes to the Financial Statements are an integral part of this statement

FUND FINANCIAL STATEMENTS

**TEANECK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 8,575,229		\$ 1,513,414	\$ 2	\$ 10,088,645
Receivables					
Receivables From Other Governments	381,633	\$ 551,763			933,396
Other Receivables	8,935	80,210			89,145
Due from Other Funds	466,016		3,465		469,481
Prepaid Items	-	7,343	-	-	7,343
Total Assets	<u>\$ 9,431,813</u>	<u>\$ 639,316</u>	<u>\$ 1,516,879</u>	<u>\$ 2</u>	<u>\$ 11,588,010</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 549,321	\$ 34,834			\$ 584,155
Due to Other Funds	3,465	466,016			469,481
Intergovernmental Payable					
State		55,324			55,324
Federal		1,881			1,881
Other		5,566			5,566
Unearned Revenue	-	75,695	-	-	75,695
Total Liabilities	<u>552,786</u>	<u>639,316</u>	<u>-</u>	<u>-</u>	<u>1,192,102</u>
Fund Balances					
Restricted					
Capital Reserve	877,933				877,933
Capital Reserve - Designated for Subsequent Year's Expenditures	2,359,035				2,359,035
Excess Surplus - Designated for for Subsequent Year's Expenditures	2,472,823				2,472,823
Excess Surplus	1,465,415				1,465,415
Capital Projects			\$ 1,516,879		1,516,879
Debt Service				\$ 2	2
Committed					
Year End Encumbrances	82,118				82,118
Assigned					
Designated for Subsequent Year's Expenditures	1,062,588				1,062,588
Year End Encumbrances	238,445				238,445
Unassigned	<u>320,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,670</u>
Total Fund Balances	<u>8,879,027</u>	<u>-</u>	<u>1,516,879</u>	<u>2</u>	<u>10,395,908</u>
Total Liabilities and Fund Balances	<u>\$ 9,431,813</u>	<u>\$ 639,316</u>	<u>\$ 1,516,879</u>	<u>\$ 2</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$68,154,057 and the accumulated depreciation is \$22,060,250. 46,093,807

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (392,371)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 2) (27,062,970)

Net Position of Governmental Activities \$ 29,034,374

**TEANECK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 77,760,542			\$ 1,785,784	\$ 79,546,326
Tuition	139,183				139,183
Interest	82,082				82,082
Miscellaneous	282,860	\$ 409,309			692,169
Rentals	27,470	-	-	-	27,470
Total - Local Sources	78,292,137	409,309	-	1,785,784	80,487,230
State Sources	14,284,274	623,973			14,908,247
Federal Sources	116,649	1,731,873	-	-	1,848,522
Total Revenues	92,693,060	2,765,155	-	1,785,784	97,243,999
EXPENDITURES					
Current					
Regular Instruction	32,868,019	696,727			33,564,746
Special Education Instruction	17,013,636	920,451			17,934,087
Other Instruction	4,049,272				4,049,272
Support Services					
Student and Instruction Related Services	13,556,772	1,088,728			14,645,500
General Administrative Services	945,930		\$ 607,013		1,552,943
School Administrative Services	4,275,614				4,275,614
Plant Operations and Maintenance	7,047,521		460		7,047,981
Pupil Transportation	4,533,478	33,603			4,567,081
Business and Other Support Services	2,125,032				2,125,032
Transfer to Charter Schools	4,815,127				4,815,127
Debt Service					
Principal	495,573			1,085,000	1,580,573
Interest and Other Charges	385,063		164,656	700,783	1,250,502
Capital Outlay	227,056	25,646	5,937,871	-	6,190,573
Total Expenditures	92,338,093	2,765,155	6,710,000	1,785,783	103,599,031
Excess (Deficiency) of Revenues Over Expenditures	354,967	-	(6,710,000)	1	(6,355,032)
OTHER FINANCING SOURCES (USES)					
Transfers In			431,605		431,605
Transfers Out	(431,605)	-	-	-	(431,605)
Total Other Financing Sources and Uses	(431,605)	-	431,605	-	-
Net Change in Fund Balances	(76,638)	-	(6,278,395)	1	(6,355,032)
Fund Balance, Beginning of Year	8,955,665	-	7,795,274	1	16,750,940
Fund Balance, End of Year	\$ 8,879,027	\$ -	\$ 1,516,879	\$ 2	\$ 10,395,908

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (6,355,032)**

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (1,464,198)	
Capital Outlays	<u>6,190,573</u>	4,726,375

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bond Principal	1,380,000	
Lease Purchase	123,820	
Capital Lease Principal	<u>76,753</u>	1,580,573

Repayment of debt made from funds held by a trustee reduces long-term liabilities in the statement of net position. However, the repayment is not reported as an expenditure in the governmental funds or the statement of activities.

125,665

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The increase in the accrued interest is a deduction in the reconciliation.

33,041

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Original Issuance Premium	101,503	
Amortization - Deferred Amount on Refunding of Debt	<u>(13,361)</u>	88,142

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

128,374

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 327,138**

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 155,045	\$ 214,767	\$ 369,812
Intergovernmental Accounts Receivable	45,448		45,448
Other Receivables	6,553		6,553
Inventories	5,965		5,965
Prepaid Items	-	1,060	1,060
Total Current Assets	213,011	215,827	428,838
Noncurrent Assets			
Machinery and Equipment	389,207	9,607	398,814
Less: Accumulated Depreciation	(321,577)	(9,607)	(331,184)
Total Noncurrent Assets	67,630	-	67,630
Total Assets	280,641	215,827	496,468
LIABILITIES			
Current Liabilities			
Accounts Payable	106,084	2,453	108,537
Unearned Revenue	-	235,862	235,862
Total Current Liabilities	106,084	238,315	344,399
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	11	-	11
Total Deferred Inflows of Resources	11	-	11
Total Liabilities and Deferred Inflows of Resources	106,095	238,315	344,410
NET POSITION			
Net Investment in Capital Assets	67,630	-	67,630
Unrestricted	106,916	(22,488)	84,428
Total Net Position	\$ 174,546	\$ (22,488)	\$ 152,058

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
OPERATING REVENUES			
Charges for Services			
Daily Sales-Reimbursable Programs	\$ 635,810		\$ 635,810
Special Functions	18,855		18,855
Vending Sales	10,013		10,013
Program Fees	-	\$ 686,002	686,002
Total Operating Revenues	664,678	686,002	1,350,680
OPERATING EXPENSES			
Salaries and Employee Benefits	583,490	532,945	1,116,435
Purchased Professional and Technical Services		77,974	77,974
Contracted Services- Transportation		15,713	15,713
Communications/ Telephone	1,980	1,577	3,557
Postage		1,500	1,500
Travel	350		350
Other Purchased Services	69,988	40,651	110,639
Supplies and Materials	72,532	13,541	86,073
Depreciation	13,724		13,724
Cost of Sales	460,819		460,819
Miscellaneous	-	24,472	24,472
Total Operating Expenses	1,202,883	708,373	1,911,256
Operating Loss	(538,205)	(22,371)	(560,576)
NONOPERATING REVENUES			
State Sources			
School Lunch Program	14,639		14,639
Federal Sources			
School Breakfast Program	74,868		74,868
National School Lunch Program	529,284		529,284
Local Sources	-	46,040	46,040
Total Nonoperating Revenues	618,791	46,040	664,831
Change in Net Position	80,586	23,669	104,255
Total Net Position, Beginning of Year	93,960	(46,157)	47,803
Total Net Position, End of Year	\$ 174,546	\$ (22,488)	\$ 152,058

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 667,979	\$ 631,767	\$ 1,299,746
Payments to Employees' Salaries and Benefits	(583,490)	(532,945)	(1,116,435)
Payments to Suppliers for Goods and Services	(634,367)	(163,262)	(797,629)
Net Cash Used by Operating Activities	(549,878)	(64,440)	(614,318)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State, Federal, and Local Sources	567,283	46,040	613,323
Net Cash Provided by Noncapital Financing Activities	567,283	46,040	613,323
Net Increase/(Decrease) in Cash and Cash Equivalents	17,405	(18,400)	(995)
Cash and Cash Equivalents, Beginning of Year	137,640	233,167	370,807
Cash and Cash Equivalents, End of Year	\$ 155,045	\$ 214,767	\$ 369,812
Reconciliation of Operating Loss to Net Cash Used by Operating Activities			
Operating Loss	\$ (538,205)	\$ (22,371)	\$ (560,576)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Depreciation	13,724		13,724
USDA Commodities	44,246		44,246
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Accounts Receivable	3,301		3,301
(Increase)/Decrease in Prepaid Items		11,969	11,969
Increase/(Decrease) in Accounts Payable	(5,734)	197	(5,537)
Increase/(Decrease) in Unearned Revenue		(54,235)	(54,235)
Increase/(Decrease) in Deferred Inflows of Resources	(5,018)		(5,018)
Increase/(Decrease) in Interfund Payable	(71,298)		(71,298)
(Increase)/Decrease in Inventories	9,106	-	9,106
Total Adjustments	(11,673)	(42,069)	(53,742)
Net Cash Used by Operating Activities	\$ (549,878)	\$ (64,440)	\$ (614,318)
Noncash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 39,228		

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013**

	Private Purpose <u>Scholarships Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 130,973	\$ 580,837
Total Assets	<u>130,973</u>	<u>\$ 580,837</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 412,670
Flexible Spending Program		15,675
Due to Student Groups	<u>-</u>	<u>152,492</u>
Total Liabilities	<u>-</u>	<u>\$ 580,837</u>
NET POSITION		
Held in Trust for Other Purposes	<u>\$ 130,973</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Private Purpose Scholarships <u>Fund</u>
ADDITIONS	
Contributions	
Donations	\$ 2,285
Investment Earnings	
Interest	<u>523</u>
Total Additions	<u>2,808</u>
DEDUCTIONS	
Miscellaneous Fee	25
Scholarships Awarded	<u>7,835</u>
Total Deductions	<u>7,860</u>
Change in Net Position	(5,052)
Net Position, Beginning of Year	<u>136,025</u>
Net Position, End of Year	<u>\$ 130,973</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

NOTES TO THE FINANCIAL STATEMENTS

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Teaneck Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Teaneck Board of Education this includes general operations, food service, after school child care, adult education and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2013, the District adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously Reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

C. Basis of Presentation - Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds.

TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (continued)

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *community school fund* accounts for the activities of the District's community school which provides for the operation of the after school child care program, summer camp program and adult education programs.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	45
Building Improvements	20-45
Heavy Equipment	10-15
Office Equipment and Furniture	10-15
Computer Equipment	5-7

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. A deferred charge on debt refunding results from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

6. *Deferred Outflows/Inflows of Resources* (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises under the accrual basis of accounting, which qualifies for reporting in this category. The item that qualifies for reporting in this category is the *deferred commodities revenue*. This item is reported in both the district-wide and the proprietary funds statement of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3.)

Capital Reserve – Designated for Subsequent Year's Expenditures – This restriction was created to represent the portion of capital reserve appropriated to fund expenditures in the adopted 2013/2014 original budget certified for taxes.

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that was appropriated in the 2013/2014 original budget certified for taxes.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2013 audited excess surplus that is required to be appropriated in the 2014/2015 original budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2013/2014 District budget certified for taxes.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

10. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2011-2012 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the community school enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$27,062,970 difference are as follows:

Bonds Payable	\$ 22,330,000
Add: Issuance Premium (to be amortized over life of debt)	638,448
Less: Deferred Charge on Refunding of Debt (to be amortized over life of debt)	(256,554)
Obligations Under Lease Purchase Agreement	794,302
Capital Leases Payable	209,428
Compensated Absences	<u>3,347,346</u>
Net Adjustment to Reduce Fund Balance -	
Total Governmental Funds to Arrive at	
Net Position - Governmental Activities	<u>\$ 27,062,970</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 18, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2012/2013. During 2012/2013 the Board increased the general fund original budget by \$334,053 and the original special revenue fund budget by \$1,574,354. The increases were funded by capital reserve funds appropriated, grant awards and the reappropriation of prior year general fund encumbrances. On December 12, 2012, the Board authorized and approved capital reserve appropriations of \$107,620 from the general fund.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Deficit Fund Equity

The Community School Enterprise Fund has a cumulative deficit in net position deficit of \$22,488 as of June 30, 2013. The District plans to eliminate this deficit through the operations of the Community School in the 2013-2014 fiscal year.

C. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2013 is as follows:

Balance, July 1, 2012		\$	1,191,254
Increased by:			
Deposit Approved by Board Resolution	\$	2,580,000	
Interest Earned		<u>4,939</u>	
Total Increases			<u>2,584,939</u>
			3,776,193
Withdrawals			
Approved in District Budget		431,605	
Approved by Board Resolution		<u>107,620</u>	
Total Withdrawals			<u>539,225</u>
Balance, June 30, 2013		\$	<u>3,236,968</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects is \$8,551,992. The withdrawals from the capital reserve were for use in department approved facilities projects, consistent with the district's Long Range Facilities Plan.

D. Transfers to Capital Outlay

During the 2012/2013 school year, the district transferred \$107,620 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2013 is \$3,938,238. Of this amount, \$2,472,823 was designated and appropriated in the 2013/2014 original budget certified for taxes and the remaining amount of \$1,465,415 will be appropriated in the 2014/2015 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2013, the book value of the Board's deposits were \$11,170,267 and bank and brokerage firm balances of the Board's deposits amounted to \$14,111,334. The Board's deposits which are displayed on the statements of net position and the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 14,111,334</u>
	<u>\$ 14,111,334</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2013 none of the Board's bank balance was exposed to custodial credit risk.

As of June 30, 2013, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2013 for the district's individual major funds, in the aggregate, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 8,935	\$ 80,210	\$ 6,553	\$ 95,698
Intergovernmental	<u>381,633</u>	<u>551,763</u>	<u>45,448</u>	<u>978,844</u>
Net Total Receivables	<u>\$ 390,568</u>	<u>\$ 631,973</u>	<u>\$ 52,001</u>	<u>\$ 1,074,542</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Drawdowns	\$ 66,478
Grant Draw Downs Reserved for Encumbrances	<u>9,217</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 75,695</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance, July 1, 2012	Increases	Decreases	Adjustments	Balance, June 30, 2013
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,601,471				\$ 1,601,471
Construction in Progress	1,497,979	\$ 356,793	-	\$ (1,497,979)	356,793
Total Capital Assets, Not Being Depreciated	3,099,450	356,793	-	(1,497,979)	1,958,264
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	51,919,606	5,479,702		1,282,379	58,681,687
Improvements Other Than Buildings	3,575,602			186,678	3,762,280
Machinery and Equipment	3,371,651	354,078	\$ (2,825)	28,922	3,751,826
Total Capital Assets Being Depreciated	58,866,859	5,833,780	(2,825)	1,497,979	66,195,793
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(15,231,683)	(1,247,547)			(16,479,230)
Improvements Other Than Buildings	(2,899,309)				(2,899,309)
Machinery and Equipment	(2,467,885)	(216,651)	2,825	-	(2,681,711)
Total Accumulated Depreciation	(20,598,877)	(1,464,198)	2,825	-	(22,060,250)
Total Capital Assets, Being Depreciated, Net	38,267,982	4,369,582	-	1,497,979	44,135,543
Governmental Activities Capital Assets, Net	\$ 41,367,432	\$ 4,726,375	\$ -	\$ -	\$46,093,807
	Balance, July 1, 2012	Increases	Decreases	Balance, June 30, 2013	
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 398,814	-	-	\$ 398,814	
Total Capital Assets Being Depreciated	398,814	-	-	398,814	
Less Accumulated Depreciation for:					
Machinery and Equipment	(317,460)	\$ (13,724)	-	(331,184)	
Total Accumulated Depreciation	(317,460)	(13,724)	-	(331,184)	
Total Capital Assets, Being Depreciated, Net	81,354	(13,724)	-	67,630	
Business-Type Activities Capital Assets, Net	\$ 81,354	\$ (13,724)	\$ -	\$ 67,630	

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction	
Regular	\$ 55,921
Total Instruction	<u>55,921</u>
Support Services	
Student and Instruction Related Services	134,595
Operations and Maintenance of Plant	<u>1,273,682</u>
Total Support Services	<u>1,408,277</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,464,198</u>

Business-Type Activities:

Food Service Fund	\$ 13,724
Total Depreciation Expense-Business-Type Activities	<u>\$ 13,724</u>

Construction Commitments

The District has the following active construction projects as of June 30, 2013:

<u>Project</u>	<u>Remaining Commitment</u>
Energy Savings Improvement Program	\$ 277,703
Benjamin Franklin Middle School and Thomas Jefferson	
Middle School Roof Replacement	1,042,000
Teaneck High School Roof Replacement	515,197
Asbestos Abatement - Hawthorne School	<u>76,640</u>
	<u>\$ 1,911,540</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 466,016
Capital Projects Fund	General Fund	3,465
		<u>\$ 469,481</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year .

Interfund transfers

	<u>Transfer In:</u>	
	Capital	
	<u>Projects Fund</u>	<u>Total</u>
<u>Transfer Out:</u>		
General Fund	\$ 431,605	\$ 431,605
	<u>\$ 431,605</u>	<u>\$ 431,605</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing 22 copy machines totaling \$394,390 under capital leases. The leases are for terms of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 were as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Capital</u> <u>Lease</u>
2014	\$ 89,268
2015	89,268
2016	<u>44,634</u>
Total Minimum Lease Payments	223,170
Less: Amount Representing Interest	<u>(13,742)</u>
Present Value of Minimum Lease Payments	<u>\$ 209,428</u>

Lease Purchase Agreements

The District has entered into a facility lease for capital improvements to the Teaneck High School roof. The lease purchase totals \$1,286,000 with an interest rate of 2.980%. The lease term is five years.

The maturity schedule of the remaining lease payments for principal and interest is as follows:

Governmental Activities:

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>	<u>Lease Purchase</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 256,975	\$ 21,770	\$ 278,745
2015	264,690	14,055	278,745
2016	<u>272,637</u>	<u>6,108</u>	<u>278,745</u>
	<u>\$ 794,302</u>	<u>\$ 41,933</u>	<u>\$ 836,235</u>

The capital assets acquired through lease purchases are as follows:

Governmental
Activities

Buildings and Building Improvements \$ 1,101,712

The unexpended proceeds from the facilities capital lease totaling \$164,590 were applied by the Fiscal Agent against lease repayments due during the 2012/13 fiscal year.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities, other capital assets and the refunding of pension obligations. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2013 are comprised of the following issues:

\$11,816,000, 2001 Bonds, due in annual installments of \$345,000 to \$550,000 through July 15, 2014, interest at 4.875%	\$ 895,000
\$4,270,000, 2003 Refunding Bonds, due in annual installments of \$390,000 to \$405,000 through July 1, 2014, interest at 4.00%	795,000
\$6,450,000 2003 Pension Refunding Bonds, due in annual installments of \$365,000 to \$545,000 through July 1, 2020, interest at 5.00% to 5.625%	3,585,000
\$9,305,000, 2006 Refunding Bonds, due in annual installments of \$25,000 to \$580,000 through July 15, 2030, interest at 4.00% to 4.50%	9,170,000
\$8,180,000, 2012 School Energy Savings Obligation Refunding Bonds, due in annual Installments of \$320,000 to \$805,000 through April 1, 2027, interest at 2.00% to 4.50%	<u>7,885,000</u>
	<u>\$22,330,000</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 1,625,000	\$ 942,291	\$ 2,567,291
2015	1,675,000	875,025	2,550,025
2016	1,385,000	810,747	2,195,747
2017	1,445,000	750,063	2,195,063
2018	1,495,000	686,409	2,181,409
2019-2023	7,290,000	2,411,678	9,701,678
2024-2028	5,740,000	997,114	6,737,114
2029-2031	<u>1,675,000</u>	<u>112,839</u>	<u>1,787,839</u>
	<u>\$ 22,330,000</u>	<u>\$ 7,586,166</u>	<u>\$ 29,916,166</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2013 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 228,885,336
Less: Net Debt	<u>22,330,000</u>
Remaining Borrowing Power	<u>\$ 206,555,336</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2013, was as follows:

	Balance, July 1, 2012	Additions	Reductions	Balance, June 30, 2013	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 23,710,000		\$ 1,380,000	\$ 22,330,000	\$ 1,625,000
Add: Premium	739,951	-	101,503	638,448	-
	24,449,951	-	1,481,503	22,968,448	1,625,000
Capital Leases Payable	286,181		76,753	209,428	80,663
Obligations Under Lease Purchase	1,043,787		249,485	794,302	256,975
Compensated Absences	3,475,720	\$ 266,403	394,777	3,347,346	200,000
Governmental Activity Long-Term Liabilities	<u>\$ 29,255,639</u>	<u>\$ 266,403</u>	<u>\$ 2,202,518</u>	<u>\$ 27,319,524</u>	<u>\$ 2,162,638</u>

For the governmental activities, the liabilities for compensated absences, obligations under lease purchase and capital leases are generally liquidated by the general fund. In addition, the liabilities for the School Energy Savings Obligation Refunding Bonds are being liquidated by the General Fund.

NOTE 5 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

Prior to June 30, 2005, the District was self-insured for a worker's compensation plan for its employees. Effective July 1, 2005, the District elected to participate in an insurance pool rather than remain self-insured. However, the District remains liable for the run out of those claims incurred prior to this date. Transactions related to the plan are accounted for in the General Fund. The District funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$250,000 for any one accident or occurrence, with any excess benefit being reimbursed through a Re-Insurance Agreement with Reliance National. The reinsurance policy also contains an aggregate loss provision in the amount of \$250,000 employers limit \$1,000,000. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company may not be able to meet their obligations to the District under existing reinsurance agreements.

There were no unpaid claims liability at June 30, 2013 and 2012, respectively.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

Changes in the balances of claims liabilities for the workmen's compensation plan for the fiscal years ended June 30, 2013 and 2012 are as follows:

Governmental Activities:	<u>Fiscal Year Ended</u>	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Unpaid Claims, Beginning of Fiscal Year		\$ 8,500
Incurred Claims (Including IBNR's)		(5,910)
Claim Payments	<u>-</u>	<u>(2,590)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ -</u>	<u>\$ -</u>

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance fund are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2013, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2013, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 77.5 percent and \$11.6 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all retirement systems from 8.25 percent to 7.95 percent and (b) revised projected salary increases of 4.52 percent for the PERS and 3.90 percent for TPAF.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2013, 2012 and 2011 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2013	\$ 1,079,708	\$ 2,341,359	\$ 1,785
2012	1,153,215	1,185,416	1,731
2011	1,101,298	114,219	1,381

The State contributed \$2,341,359 and \$1,185,416 during 2012/2013 and 2011/2012, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2010/2011, the State did not contribute to the TPAF for normal cost and accrued liability; however, the State contributed \$114,219 for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,572,870 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 566 state and local participating employers and contributing entities for Fiscal Year 2012.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$18.0 billion for state active and retired members and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2011, actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661, retirees receiving post-retirement medical benefits and the State contributed \$958.9 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits Contributions (Continued)

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2013, 2012 and 2011 were \$2,647,486, \$2,382,997 and \$2,426,020, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

F. Subsequent Events

On August 22, 2013, the School District issued \$3,325,000 Refunding School Bonds having interest rates ranging from 0.90% to 3.50%. The Bonds will mature over the next eight years with the first maturity due July 1, 2014.

The Refunding Bonds were issued to (i) currently refund and redeem all of the outstanding callable 2003 Taxable Pension Bonds dated February 15, 2003 maturing on July 1, in the years 2014 through 2020; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

NOTE 6 RESTATEMENT

On July 1, 2012, the Teaneck Board of Education implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities". The Teaneck Board of Education has determined that the effect of implementing these accounting changes on the financial statements previously reported as of and for the year ended June 30, 2012 was to eliminate in the District-wide statement of net position the deferred charge related to debt issuance costs in the amount of \$372,696 with a corresponding reduction in the net investment in capital assets component of net position. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2012 from \$29,079,932 as originally reported to \$28,707,236 as adjusted for the effects of the change in accounting principle.

BUDGETARY COMPARISON SCHEDULES

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 77,760,542		\$ 77,760,542	\$ 77,760,542	
Tuition - Intergovernmental	120,000		120,000	127,715	\$ 7,715
Tuition - Individuals				11,468	11,468
Interest on Capital Reserve	1,000		1,000	4,939	3,939
Interest	10,000		10,000	77,143	67,143
Rentals			-	27,470	27,470
Miscellaneous	190,000	-	190,000	282,860	92,860
Total Local Sources	<u>78,081,542</u>	<u>-</u>	<u>78,081,542</u>	<u>78,292,137</u>	<u>210,595</u>
State Sources					
Transportation Aid	1,811,890		1,811,890	1,811,890	
Special Education Categorical Aid	2,571,970		2,571,970	2,571,970	
Security Aid	701,690		701,690	701,690	
Extraordinary Aid	1,695,053		1,695,053	1,102,089	(592,964)
Non Public Transportation	170,000		170,000	139,923	(30,077)
Homeless Tuition				36,024	36,024
TPAF Pension - System Contributions - Normal Costs and Accrued Liability (Non-Budget)				2,224,329	2,224,329
TPAF Pension - System Contributions - NCGI Premium (Non-Budget)				117,030	117,030
TPAF Pension - Post Retirement Contributions (Non-Budget)				2,647,486	2,647,486
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,572,870	2,572,870
Total State Sources	<u>6,950,603</u>	<u>-</u>	<u>6,950,603</u>	<u>13,925,301</u>	<u>6,974,698</u>
Federal Sources					
Education Jobs Fund				650	650
Medicaid Reimbursement Program	63,776	-	63,776	80,118	16,342
FEMA	-	-	-	35,881	35,881
Total Federal Sources	<u>63,776</u>	<u>-</u>	<u>63,776</u>	<u>116,649</u>	<u>52,873</u>
Total Revenues	<u>85,095,921</u>	<u>-</u>	<u>85,095,921</u>	<u>92,334,087</u>	<u>7,238,166</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	1,479,312	\$ (276,669)	1,202,643	1,189,683	12,960
Grades 1-5	6,669,670	(243,592)	6,426,078	6,253,020	173,058
Grades 6-8	5,890,090		5,890,090	5,575,981	314,109
Grades 9-12	7,748,719	(122,309)	7,626,410	7,589,619	36,791
Regular Programs - Home Instruction					
Salaries of Teachers	5,000		5,000		5,000
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	35,525	84,719	120,244	120,244	
Purchased Professional-Educational Svcs.	4,825	1,475	6,300	5,300	1,000
Purchased Technical Services	20,000	405	20,405	9,073	11,332
Other Purchased Services	217,300	6,550	223,850	208,275	15,575
General Supplies	1,126,697	21,697	1,148,394	900,730	247,664
Textbooks	292,746	(2,979)	289,767	230,965	58,802
Other Objects	9,929	(6,000)	3,929	2,810	1,119
Total Regular Programs	<u>23,499,813</u>	<u>(536,703)</u>	<u>22,963,110</u>	<u>22,085,700</u>	<u>877,410</u>
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	925,632	238,234	1,163,866	1,141,029	22,837
Other Salaries for Instruction	433,163	36,511	469,674	469,674	
General Supplies	3,000	-	3,000	-	3,000
Total Learning / Language Disabilities	<u>1,361,795</u>	<u>274,745</u>	<u>1,636,540</u>	<u>1,610,703</u>	<u>25,837</u>

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 56,190		\$ 56,190	\$ 55,360	\$ 830
Other Salaries for Instruction	37,343	-	37,343	36,792	551
Total Behavioral Disabilities	93,533	-	93,533	92,152	1,381
Multiple Disabilities					
Salaries of Teachers	163,003	\$ 201,161	364,164	348,029	16,135
Other Salaries for Instruction	138,732	313,006	451,738	432,031	19,707
General Supplies	28,500	(41)	28,459	27,840	619
Total Multiple Disabilities	330,235	514,126	844,361	807,900	36,461
Resource Room / Resource Center					
Salaries of Teachers	3,653,802	(81,011)	3,572,791	3,569,301	3,490
Other Salaries for Instruction	74,688	214,849	289,537	289,536	1
General Supplies	24,600	(500)	24,100	14,972	9,128
Total Resource Room / Resource Center	3,753,090	133,338	3,886,428	3,873,809	12,619
Autism					
Salaries of Teachers	435,283	(281,203)	154,080	149,391	4,689
Other Salaries for Instruction	223,120	(195,318)	27,802	27,802	-
General Supplies	6,000	41	6,041	5,792	249
Total Autism	664,403	(476,480)	187,923	182,985	4,938
Preschool Disabilities - Part - Time					
Salaries of Teachers	118,937	40,990	159,927	153,575	6,352
Other Salaries for Instruction	224,897	(43,726)	181,171	181,171	-
Total Preschool Disabilities - Part - Time	343,834	(2,736)	341,098	334,746	6,352
Preschool Disabilities - Full - Time					
Salaries of Teachers	537,938	(331,965)	205,973	104,720	101,253
Other Salaries for Instruction	74,688	179,816	254,504	254,504	-
General Supplies	3,000	-	3,000	3,000	-
Total Preschool Disabilities - Full - Time	615,626	(152,149)	463,477	362,224	101,253
Home Instruction					
Salaries of Teachers	170,520		170,520	145,238	25,282
Purchased Professional-Educational Svcs.	50,000	26,000	76,000	58,630	17,370
Total Home Instruction	220,520	26,000	246,520	203,868	42,652
Total Special Education	7,383,036	316,844	7,699,880	7,468,387	231,493

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 1,871,112	\$ (124,570)	\$ 1,746,542	\$ 1,722,408	\$ 24,134
Total Basic Skills/Remedial	1,871,112	(124,570)	1,746,542	1,722,408	24,134
Bilingual Education					
Salaries of Teachers	397,267		397,267	391,396	5,871
General Supplies	-	59,000	59,000	48,307	10,693
Total Bilingual Education	397,267	59,000	456,267	439,703	16,564
School Sponsored Co-Curricular Activities					
Salaries	180,000	55,170	235,170	234,624	546
Purchased Services	6,000	(802)	5,198	879	4,319
Supplies and Materials	13,000	(50)	12,950	11,683	1,267
Other Objects	7,500	3,000	10,500	9,717	783
Total School Sponsored Co-Curricular Activities	206,500	57,318	263,818	256,903	6,915
School Sponsored Athletics - Instruction					
Salaries	608,889	1,140	610,029	586,612	23,417
Purchased Services	76,075	(23,011)	53,064	35,144	17,920
Supplies and Materials	125,400	16,936	142,336	136,659	5,677
Other Objects	25,000	(2,336)	22,664	21,764	900
Transfers to Cover Deficit	70,000	-	70,000	69,999	1
Total School Sponsored Athletics - Instruction	905,364	(7,271)	898,093	850,178	47,915
Before and After School Programs - Instruction					
Salaries	54,000	6,000	60,000	8,928	51,072
Total Before and After School Programs - Instruction	54,000	6,000	60,000	8,928	51,072
Total - Instruction	34,317,092	(229,382)	34,087,710	32,832,207	1,255,503
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular		7,229	7,229	7,229	
Tuition - Other LEA's Within State - Special	1,799,524	(667,000)	1,132,524	833,890	298,634
Tuition to County Voc. School Dist.-Regular	564,900	6,360	571,260	566,001	5,259
Tuition to County Voc. School Dist.-Special	280,530	(13,589)	266,941	205,380	61,561
Tuition to CSSD & Reg. Day Schools	2,228,780	122,495	2,351,275	2,325,785	25,490
Tuition to Private Schools - Disabled Within State	2,503,769	194,694	2,698,463	2,627,239	71,224
Tuition to Private Schools - Disabled Outside State	246,866	130,002	376,868	375,915	953
Tuition - State Facilities	17,699		17,699	17,699	
Tuition - Other	47,190	(47,190)	-	-	-
Total Undistributed Expenditures - Instruction	7,689,258	(266,999)	7,422,259	6,959,138	463,121

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 150,429	\$ 25,034	\$ 175,463	\$ 175,347	\$ 116
Purchased Professional and Technical Svcs.	50,000	(2,304)	47,696	39,250	8,446
Other Purchased Services	1,625	250	1,875	1,290	585
Total Attendance and Social Work Services	202,054	22,980	225,034	215,887	9,147
Health Services					
Salaries	701,616		701,616	690,887	10,729
Purchased Professional and Technical Svcs.	189,000	12,000	201,000	173,726	27,274
Other Purchased Services	2,000		2,000		2,000
Supplies and Materials	13,680	951	14,631	10,282	4,349
Total Health Services	906,296	12,951	919,247	874,895	44,352
Other Support Services - Students - Speech, OT, PT and Related Services					
Salaries	631,339	(23,200)	608,139	602,726	5,413
Purchased Professional-Educational Services	1,294,000	307,340	1,601,340	1,562,662	38,678
Supplies and Materials	5,000	-	5,000	2,860	2,140
Total Other Support Services - Students - Speech, OT, PT and Related Services	1,930,339	284,140	2,214,479	2,168,248	46,231
Other Support Services-Students-Extra Serv.					
Salaries	695,261		695,261	631,137	64,124
Purchased Professional-Educational Services	431,250	(5,000)	426,250	357,438	68,812
Supplies and Materials	2,000	(1,500)	500	-	500
Total Other Support Services-Extra Serv.	1,128,511	(6,500)	1,122,011	988,575	133,436
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	1,624,383	38,460	1,662,843	1,650,018	12,825
Salaries of Secretarial and Clerical Assistants	270,991	(29,601)	241,390	241,390	
Other Salaries	74,921	439	75,360	75,047	313
Purchased Professional-Educational Services	2,500		2,500		2,500
Other Purchased Prof. and Tech. Services	10,000		10,000		10,000
Other Purchased Services	2,500	699	3,199	2,332	867
Supplies and Materials	31,700	(319)	31,381	19,763	11,618
Other Objects	220	-	220	-	220
Total Other Support Services-Students-Guidance	2,017,215	9,678	2,026,893	1,988,550	38,343
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	1,640,165	(3,379)	1,636,786	1,598,484	38,302
Salaries of Secretarial and Clerical Assistants	113,914	4,106	118,020	118,020	
Purchased Professional-Educational Services	227,000	34,282	261,282	257,632	3,650
Other Purchased Prof. and Tech. Services	6,000	(282)	5,718	5,000	718
Other Purchased Services		9,200	9,200	5,541	3,659
Residential Costs	14,325	(14,325)			
Miscellaneous Purchased Services (Other than Resid. Costs)	12,000	(5,000)	7,000	6,328	672
Supplies and Materials	15,500	15,947	31,447	27,966	3,481
Other Objects	-	150	150	-	150
Total Other Support Services - Students - Child Study Team	2,028,904	40,699	2,069,603	2,018,971	50,632

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 421,598	\$ 133,545	\$ 555,143	\$ 555,143	
Salaries of Other Professional Staff	37,000	(36,000)	1,000		\$ 1,000
Salaries of Secretarial and Clerical Assistants	223,015	(19,929)	203,086	194,394	8,692
Other Salaries	31,075	(31,002)	73	73	
Purchased Professional-Educational Services	64,500	(7,200)	57,300	34,662	22,638
Other Purchased Services	10,650	1	10,651	5,471	5,180
Supplies and Materials	14,500	(2,138)	12,362	8,587	3,775
Total Improvement of Instruction Services	<u>802,338</u>	<u>37,277</u>	<u>839,615</u>	<u>798,330</u>	<u>41,285</u>
Educational Media Services/School Library					
Salaries	433,076	72,044	505,120	503,883	1,237
Purchased Professional and Technical Services	70,000	(29,685)	40,315	40,315	
Supplies and Materials	263,217	36,214	299,431	264,095	35,336
Total Educational Media Services/School Library	<u>766,293</u>	<u>78,573</u>	<u>844,866</u>	<u>808,293</u>	<u>36,573</u>
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	425,952	57,268	483,220	481,231	1,989
Salaries of Other Professional Staff	149,012	14,240	163,252	76,417	86,835
Salaries of Secretarial and Clerical Assistants	130,960		130,960	130,315	645
Other Salaries	8,120	(3,000)	5,120		5,120
Purchased Professional-Educational Svcs.	23,700		23,700	7,166	16,534
Other Purchased Services	50,400	16,000	66,400	32,350	34,050
Supplies and Materials	17,700	(4,000)	13,700	5,923	7,777
Other Objects	5,250	-	5,250	1,411	3,839
Total Instructional Staff Training Services	<u>811,094</u>	<u>80,508</u>	<u>891,602</u>	<u>734,813</u>	<u>156,789</u>
Support Services General Administration					
Salaries	288,618	47,193	335,811	335,811	
Legal Services	300,000		300,000	161,994	138,006
Audit Fees	60,000	(5,729)	54,271	49,526	4,745
Architectural/Engineering Services	25,000	(14,000)	11,000	8,577	2,423
Purchased Technical Services	15,000	(6,000)	9,000		9,000
Communications/Telephone	161,170	(11,874)	149,296	108,146	41,150
BOE Other Purchased Services	5,000	10,325	15,325	9,448	5,877
Miscellaneous Purchased Services	158,400	(69,117)	89,283	78,007	11,276
General Supplies	7,500	(645)	6,855	6,145	710
BOE In-House Training/Meeting Supplies	5,000	353	5,353	2,716	2,637
Judgments Against the School District	28,000		28,000	20,000	8,000
Miscellaneous Expenditures	12,000	579	12,579	9,201	3,378
BOE Membership Dues and Fees	35,000	(837)	34,163	33,138	1,025
Total Support Services General Administration	<u>1,100,688</u>	<u>(49,752)</u>	<u>1,050,936</u>	<u>822,709</u>	<u>228,227</u>

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 1,719,078	\$ 13,827	\$ 1,732,905	\$ 1,704,361	\$ 28,544
Salaries of Other Professional Staff	78,349	772	79,121	78,349	772
Salaries of Secretarial and Clerical Assistants	1,150,689	5,162	1,155,851	1,155,851	
Other Purchased Service	40,000	3,181	43,181	38,241	4,940
Supplies and Materials	78,868	1,810	80,678	68,735	11,943
Other Objects	3,600	(220)	3,380	2,911	469
Total Support Services School Administration	<u>3,070,584</u>	<u>24,532</u>	<u>3,095,116</u>	<u>3,048,448</u>	<u>46,668</u>
Central Services					
Salaries	774,037	1,582	775,619	719,052	56,567
Purchased Professional Services	2,180		2,180	2,180	
Purchased Technical Services	48,825	1,891	50,716	48,824	1,892
Misc. Purchased Services	55,200	(120)	55,080	30,831	24,249
Supplies and Materials	21,617	(186)	21,431	16,562	4,869
Interest on Lease Purchase Agreements	29,260		29,260	15,552	13,708
Miscellaneous Expenditures	1,500	416	1,916	1,916	-
Total Central Services	<u>932,619</u>	<u>3,583</u>	<u>936,202</u>	<u>834,917</u>	<u>101,285</u>
Admin. Info. Tech					
Salaries	507,898	1,589	509,487	501,808	7,679
Purchased Technical Services	187,250	5,226	192,476	154,552	37,924
Other Purchased Services	7,990	210	8,200	3,350	4,850
Supplies and Materials	57,300	5,420	62,720	49,970	12,750
Total Admin. Info. Tech.	<u>760,438</u>	<u>12,445</u>	<u>772,883</u>	<u>709,680</u>	<u>63,203</u>
Required Maintenance for School Facilities					
Salaries	580,062	18,914	598,976	598,976	
Cleaning, Repair & Maintenance Services	342,170	196,327	538,497	376,033	162,464
General Supplies	180,000	75,486	255,486	252,684	2,802
Total Required Maintenance for School Facilities	<u>1,102,232</u>	<u>290,727</u>	<u>1,392,959</u>	<u>1,227,693</u>	<u>165,266</u>
Custodial Services					
Salaries	2,383,925	67,277	2,451,202	2,451,202	
Salaries of Non-Instructional Aides	357,333	62,331	419,664	419,664	
Purchased Professional and Technical Services	68,150	(26,620)	41,530	17,228	24,302
Cleaning, Repair & Maintenance Services	230,898	1,641	232,539	202,186	30,353
Other Purchased Property Services	67,700	(4,977)	62,723	59,660	3,063
Insurance	360,000		360,000	336,618	23,382
Miscellaneous Purchased Services	12,700	1,956	14,656	13,132	1,524
General Supplies	221,570	(17,625)	203,945	203,366	579
Energy (Natural Gas)	310,000	(65,559)	244,441	244,441	
Energy (Electricity)	900,000	(284,426)	615,574	615,574	
Energy (Oil)	466,900	(459,936)	6,964	6,964	
Interest-Energy Savings Impr. Prog. Bonds		294,986	294,986	294,986	
Principal-Energy Savings Impr. Prog. Bonds		295,000	295,000	295,000	
Other Objects	4,900	5,521	10,421	10,421	-
Total Custodial Services	<u>5,384,076</u>	<u>(130,431)</u>	<u>5,253,645</u>	<u>5,170,442</u>	<u>83,203</u>

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Salaries	\$ 358,389	-	\$ 358,389	\$ 327,803	\$ 30,586
Total Care and Upkeep of Grounds	358,389	-	358,389	327,803	30,586
Security					
Salaries	20,807	\$ 5,482	26,289	26,289	
Purchased Professional and Technical Services	105,000	(9,390)	95,610	69,218	26,392
Total Security	125,807	(3,908)	121,899	95,507	26,392
Student Transportation Services					
Salaries of Non-Instructional Aides	1,005		1,005	880	125
Salaries for Pupil Transportation (Between Home and School) - Regular	28,524	(4,732)	23,792	23,473	319
Salaries for Pupil Transportation (Between Home and School) - Special	23,031	5,883	28,914	28,854	60
Salaries for Pupil Transportation (Between Home and School) - NonPublic Sch	40,163	(551)	39,612	39,570	42
Other Purchased Prof. and Technical Serv.	12,546	7,900	20,446	18,459	1,987
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	323,500		323,500	306,065	17,435
Contracted Services (Between Home and School) - Vendors	1,971,752	(200,000)	1,771,752	1,311,482	460,270
Contracted Services (Other Than Between Home and School) - Vendors	317,110	70,905	388,015	194,471	193,544
Contracted Services (Spec Ed) - Vendors	760,898	(138,844)	622,054	525,884	96,170
Contracted Services (Reg. Students) - ESCs & CTSA's	959,412	100,000	1,059,412	943,620	115,792
Contracted Services (Spl. Ed. Students)-ESC's & CTSA's	1,094,878	245,000	1,339,878	1,105,827	234,051
General Supplies	1,500	-	1,500	540	960
Total Student Transportation Services	5,534,319	85,561	5,619,880	4,499,125	1,120,755
Allocated Benefits					
Regular Programs - Instruction - Employee Benefits					
Health Benefits	4,800,000	(91,866)	4,708,134	4,692,649	15,485
Total Regular Programs - Instruction - Employee Benefits	4,800,000	(91,866)	4,708,134	4,692,649	15,485
Special Programs - Instruction - Employee Benefits					
Health Benefits	1,763,185	(270,990)	1,492,195	1,373,290	118,905
Total Special Programs - Instruction - Employee Benefits	1,763,185	(270,990)	1,492,195	1,373,290	118,905
Operation and Maintenance of Plant Services - Employee Benefits					
Health Benefits	350,000	-	350,000	350,000	-
Total Operation and Maintenance of Plant Services - Employee Benefits	350,000	-	350,000	350,000	-
Total Allocated Benefits - Employee Benefits	6,913,185	(362,856)	6,550,329	6,415,939	134,390

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits					
Group Insurance	\$ 350,000		\$ 350,000	\$ 334,265	\$ 15,735
Social Security Contributions	1,155,000	\$ (145,000)	1,010,000	990,747	19,253
Other Retirement Contributions - PERS	1,205,000	(141,106)	1,063,894	1,051,708	12,186
Unemployment Compensation	150,000		150,000	143,992	6,008
Workmen's Compensation	475,000	(202,000)	273,000	266,132	6,868
Health Benefits	2,000,000	536,106	2,536,106	2,515,240	20,866
Tuition Reimbursement	285,000	(19,090)	265,910	246,546	19,364
Other Employee Benefits	257,200	218,466	475,666	473,273	2,393
Total Unallocated Benefits	5,877,200	247,376	6,124,576	6,021,903	102,673
TPAF Pension - System Contributions					
Normal Costs and Accrued Liability (Non-Budget)				2,224,329	(2,224,329)
TPAF Pension - System Contributions - NCGI Premium (Non Budget)				117,030	(117,030)
TPAF Pension - Post Retirement Contributions (Non-Budget)				2,647,486	(2,647,486)
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,572,870	(2,572,870)
Total On-Behalf Contributions/Reimbursements	-	-	-	7,561,715	(7,561,715)
Total Undistributed Expenditures	49,441,839	410,584	49,852,423	54,291,581	(4,439,158)
Total Current Expenditures	83,758,931	181,202	83,940,133	87,123,788	(3,183,655)
CAPITAL OUTLAY EXPENDITURES					
Increase in Capital Reserve					
Interest Deposit to Capital Reserve	1,000		1,000		1,000
Equipment					
Instruction					
Grades 9-12		8,871	8,871	8,871	
Undistributed Expenditures					
Instruction	9,000	6,295	15,295	12,590	2,705
Support Service - Child Study Teams	15,000		15,000	5,940	9,060
Admin. Info. Tech.	66,500	-	66,500	50,719	15,781
School Administration		6,825	6,825	6,356	469
Required Maintenance for School Facilities	42,000	-	42,000	34,960	7,040
Total Equipment	133,500	21,991	155,491	119,436	36,055
Facilities Acquisition and Construction Serv.					
Other Purchased Professional and Technical Services	11,000	107,620	118,620	107,620	11,000
Lease Purchase Agreements - Principal	249,486		249,486	123,820	125,666
Assessment for Debt Service on SDA Funding	48,302	-	48,302	48,302	-
Total Facilities Acquisition and Construction Serv.	308,788	107,620	416,408	279,742	136,666
Total Capital Outlay	442,288	129,611	571,899	399,178	172,721

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
Transfer of Funds to Charter Schools	\$ 6,038,551	\$ 23,240	\$ 6,061,791	\$ 4,815,127	\$ 1,246,664
Total Expenditures	90,239,770	334,053	90,573,823	92,338,093	(1,764,270)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,143,849)	(334,053)	(5,477,902)	(4,006)	5,473,896
Other Financing Sources (Uses)					
Transfer In - Capital Projects					-
Transfer Out - Capital Reserve to Capital Projects	(530,000)	-	(530,000)	(431,605)	98,395
Total Other Financing Sources (Uses)	(530,000)	-	(530,000)	(431,605)	98,395
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(5,673,849)	\$ (334,053)	(6,007,902)	(435,611)	5,572,291
Fund Balances, Beginning of Year	10,698,128	-	10,698,128	10,698,128	-
Fund Balances, End of Year	\$ 5,024,279	\$ (334,053)	\$ 4,690,226	\$ 10,262,517	\$ 5,572,291
Recapitulation					
Restricted					
Capital Reserve				\$ 877,933	
Capital Reserve - Designated for Subsequent Year's Expenditures				2,359,035	
Excess Surplus				1,465,415	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,472,823	
Committed					
Year End Encumbrances				82,118	
Assigned					
Designated for Subsequent Year's Expenditures				1,062,588	
Year End Encumbrances				238,445	
Unassigned				1,704,160	
				10,262,517	
Reconciliation to Governmental Funds Statements (GAAP)					
2012/2013 State Aid Payments Not Recognized on GAAP Basis				(281,401)	
2012/2013 Extraordinary Aid Revenue Not Recognized on GAAP Basis				(1,102,089)	
Fund Balance Per Governmental Funds (GAAP)				\$ 8,879,027	

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
EDUCATION JOBS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Federal Sources					
Education Jobs Fund	-	\$ 650	\$ 650	\$ 650	-
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Grades 9-12	-	650	650	650	-
Total Regular Programs	-	650	650	650	-
Total - Instruction	-	650	650	650	-
Total Expenditures	-	650	650	650	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 244,792	\$ 439,466	\$ 684,258	\$ 623,973	\$ (60,285)
Federal	1,750,042	646,876	2,396,918	1,686,149	(710,769)
Local Sources					
Miscellaneous	-	488,012	488,012	415,468	(72,544)
Total Revenues	<u>1,994,834</u>	<u>1,574,354</u>	<u>3,569,188</u>	<u>2,725,590</u>	<u>(843,598)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	704,158	(212,790)	491,368	259,635	231,733
Purchased Professional/Educational Services		77,815	77,815	59,012	18,803
Purchased Technical Services		92,366	92,366	92,286	80
Tuition	1,045,884	(165,205)	880,679	875,513	5,166
General Supplies		445,378	445,378	249,110	196,268
Textbooks	35,047	1,728	36,775	35,327	1,448
Other Objects	-	4,580	4,580	2,660	1,920
Total Instruction	<u>1,785,089</u>	<u>243,872</u>	<u>2,028,961</u>	<u>1,573,543</u>	<u>455,418</u>
Support Services					
Salaries		540,186	540,186	476,479	63,707
Personal Services-Employee Benefits		93,748	93,748	61,934	31,814
Purchased Professional/Educational Services	209,745	114,083	323,828	247,889	75,939
Purchased Prof. and Technical Services		37,092	37,092	29,052	8,040
Contracted Services-Transportation		75,022	75,022	33,603	41,419
Purchased Property Services		6,930	6,930	6,930	-
Rentals		15,018	15,018	6,930	8,088
Travel		66,628	66,628	12,030	54,598
Other Purchased Services		254,073	254,073	224,828	29,245
Supplies and Materials		100,359	100,359	26,049	74,310
Miscellaneous Expenditures	-	1,207	1,207	677	530
Total Support Services	<u>209,745</u>	<u>1,304,346</u>	<u>1,514,091</u>	<u>1,126,401</u>	<u>387,690</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	26,136	26,136	25,646	490
Total Facilities Acq. & Construction	<u>-</u>	<u>26,136</u>	<u>26,136</u>	<u>25,646</u>	<u>490</u>
Total Expenditures	<u>1,994,834</u>	<u>1,574,354</u>	<u>3,569,188</u>	<u>2,725,590</u>	<u>843,598</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TEANECK BOARD OF EDUCATION
GENERAL AND SPECIAL REVENUE FUNDS
NOTES TO BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	\$ 92,334,087	\$ 2,725,590
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2012 (net of cancellations)		48,782
Encumbrances, June 30, 2013		(9,217)
The last two State Aid payments are recognized as revenue for budgetary purposes. This differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenditure (GASB No. 33)		
State Aid payments recognized for GAAP purposes not recognized for Budgetary statements (2011/2012 State Aid)	1,742,463	
State Aid payments recognized for budgetary purposes not recognized for GAAP statements (2012/2013 State Aid)	(1,383,490)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 92,693,060</u>	<u>\$ 2,765,155</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 92,338,093	\$ 2,725,590
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2012 (net of cancellations)		48,782
Encumbrances, June 30, 2013	-	(9,217)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 92,338,093</u>	<u>\$ 2,765,155</u>

SCHOOL LEVEL SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	EE4 NJ Teacher Effectiveness	Race to the Top	NCLB Title IIA		NCLB Title I		Total Exhibit E-1a	Total Exhibit E-1b	Total Exhibit E-1c	Totals
			Title IIA	Prior	Title I	Prior				
REVENUES										
Intergovernmental										
State										
Federal	\$ 14,061	\$ 43,256	\$ 97,817	\$ 2,904	\$ 232,578	\$ 199,272	\$ 1,096,261	\$ 623,973	\$ -	\$ 623,973
Other	-	-	-	-	-	-	-	-	\$ 415,468	1,686,149
										415,468
Total Revenues	\$ 14,061	\$ 43,256	\$ 97,817	\$ 2,904	\$ 232,578	\$ 199,272	\$ 1,096,261	\$ 623,973	\$ 415,468	\$ 2,725,590
EXPENDITURES										
Instruction										
Salaries of Teachers		\$ 8,393	\$ 48,687	\$ 136,017	\$ 5,962			\$ 60,576	\$ 259,635	
Purchased Prof and Educ Svcs			59,012					-	59,012	
Purchased Technical Services								92,286	92,286	
Tuition							875,513		875,513	
General Supplies			94,815	8,267			74,142	16,678	55,208	249,110
Textbooks							-	35,327	35,327	
Other Objects								-	2,660	2,660
Total Instruction	-	-	8,393	-	202,514	144,284	955,617	52,005	210,730	1,573,543
Support Services										
Salaries		2,400	12,702	27,488	1,972			307,892	124,025	476,479
Personal Svcs. -Emp. Benefits		826	4,696	12,508	607			-	43,297	61,934
Purchased Prof & Educ Svcs								175,499	-	247,889
Purchased Prof and Tech Svcs	\$ 1,506		72,327	63			27,546	-	-	29,052
Rentals									6,930	6,930
Contracted Svcs. -Transportation			11,424	14,992					7,187	33,603
Purchased Property Services									6,930	6,930
Travel		10,754					680		479	12,030
Other Purchased Services	9,440	\$ 43,256					98,488	66,154	7,490	224,828
Supplies and Materials	998		3,117	2,841	1,125		105	10,140	7,723	26,049
Other Objects									677	677
Total Support Services	11,944	43,256	89,424	2,904	30,064	54,988	129,398	559,685	204,738	1,126,401
Instructional Equipment										
	2,117						11,246	12,283	-	25,646
Total Facilities Acquisition										
	2,117						11,246	12,283	-	25,646
Total Expenditures	\$ 14,061	\$ 43,256	\$ 97,817	\$ 2,904	\$ 232,578	\$ 199,272	\$ 1,096,261	\$ 623,973	\$ 415,468	\$ 2,725,590

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	IDEA - Part B-Base		IDEA - Part B Preschool		NCLB Title III		NCLB Title III Prior		Total Exhibit E-1a
	IDEA - Part B-Base	IDEA - Part B Preschool	IDEA - Part B Preschool	IDEA - Part B Preschool	NCLB Title III	NCLB Title III	NCLB Title III Prior	NCLB Title III Prior	
REVENUES									
Intergovernmental									
State									
Federal									
Total Revenues	\$ 1,027,087	\$ 27,372	\$ 27,372	\$ 27,372	\$ 32,326	\$ 32,326	\$ 5,006	\$ 5,006	\$ 1,096,261
	\$ 1,027,087	\$ 27,372	\$ 27,372	\$ 27,372	\$ 32,326	\$ 32,326	\$ 5,006	\$ 5,006	\$ 1,096,261
EXPENDITURES									
Instruction									
Salaries of Teachers									
Other Salaries for Instruction									
Salaries of Family Support Teams									
Purchased Prof and Tech Svcs									
Tuition	\$ 875,513								
General Supplies	41,840	\$ 4,296			28,006				
Textbooks									
Other Objects									
Total Instruction	\$ 917,353	\$ 4,296			\$ 30,455		\$ 3,513	\$ 3,513	\$ 955,617
Support Services									
Salaries									
Personal Svcs -Emp. Benefits					1,160		812		
Indirect Costs					276		331		
Purchased Prof & Educ Svcs.									
Purchased Prof and Tech Svcs									
Renals									
Contracted Svcs -Transportation									
Travel									
Other Purchased Services	98,488				330		350		
Supplies and Materials					105				
Other Objects									
Total Support Services	\$ 98,488	\$ 27,372	\$ 174	\$ 174	\$ 1,871		\$ 1,493		\$ 129,398
Facilities Acquisition									
Instructional Equipment	11,246								
Total Facilities Acquisition	\$ 11,246								\$ 11,246
Total Expenditures	\$ 1,027,087	\$ 27,372	\$ 174	\$ 174	\$ 32,326		\$ 5,006	\$ 5,006	\$ 1,096,261

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>NonPublic Chapter 193</u>				<u>Nonpublic Nursing</u>	<u>Nonpublic Textbook Aid</u>	<u>Nonpublic Technology Aid</u>	<u>Transportation Aid</u>	<u>NonPublic Chapter 192</u>		<u>EE4 NJ Teacher Effectiveness</u>	<u>School Based Youth Services</u>	<u>Total Exhibit E-1b</u>
	<u>Exam. & Class.</u>	<u>Corrective Speech</u>	<u>Supp. Instr.</u>	<u>Home Instruction</u>					<u>Compensatory Education Services</u>				
REVENUES													
Intergovernmental													
State	\$ 83,593	\$ 1,719	\$ 15,610	\$ 51,044	\$ 35,327	\$ 11,641	\$ 7,409	\$ 567	\$ 17,222	\$ 83,649	\$ 316,192	\$ 623,973	
Federal	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	\$ 83,593	\$ 1,719	\$ 15,610	\$ 51,044	\$ 35,327	\$ 11,641	\$ 7,409	\$ 567	\$ 17,222	\$ 83,649	\$ 316,192	\$ 623,973	
EXPENDITURES													
Instruction													
Salaries of Teachers						\$ 11,641				\$	5,037	\$ 16,678	
General Supplies													
Other Objects													
Textbooks	-	-	-	-	\$ 35,327	-	-	-	-	-	-	- 35,327	
Total Instruction	-	-	-	-	35,327	11,641	-	-	-	-	5,037	52,005	
Support Services													
Salaries											307,892	307,892	
Personal Svcs. -Emp. Benefits	\$ 83,593	\$ 1,719	\$ 15,610	\$ 51,044				\$ 567	\$ 17,222	\$ 5,744	-	175,499	
Purchased Prof & Educ Svcs.													
Travel													
Other Purchased Services							\$ 7,409			55,482	3,263	66,154	
Supplies and Materials										10,140		10,140	
Indirect Costs	-	-	-	-	-	-	-	-	-	-	-	-	
Total Support Services	83,593	1,719	15,610	51,044	-	-	7,409	567	17,222	71,366	311,155	559,685	
Facilities Acquisition													
Instructional Equipment	-	-	-	-	-	-	-	-	-	12,283	-	12,283	
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-	12,283	-	12,283	
Total Expenditures	\$ 83,593	\$ 1,719	\$ 15,610	\$ 51,044	\$ 35,327	\$ 11,641	\$ 7,409	\$ 567	\$ 17,222	\$ 83,649	\$ 316,192	\$ 623,973	

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

REVENUES																	
Intergovernmental																	
State																	
Federal																	
Other																	
Other Local Grants	TWT Work Success	Forum Twp Funds	Forum Juvenile Justice	TWT Incentive Funds	Puffin Grants	BCUA Grant	PSE&G Grant	Total Exhibit E-1c									
\$ 738	\$ 104,335	\$ 60,762	\$ 51,752	\$ 76,567	\$ 120,000	\$ 113	\$ 1,201	\$ 415,468									
\$ 738	\$ 104,335	\$ 60,762	\$ 51,752	\$ 76,567	\$ 120,000	\$ 113	\$ 1,201	\$ 415,468									
EXPENDITURES																	
Instruction																	
Salaries of Teachers								60,576									
Salaries of Other Prof Staff		\$ 30,152	\$ 30,424					-									
Purchased Prof and Educ Svcs								-									
Purchased Prof and Tech Svcs			6,910		\$ 85,376			92,286									
Tuition								-									
Other Purchased Services								-									
General Supplies	\$ 497	13,350	6,171		34,624	\$ 113	\$ 453	55,208									
Textbooks																	
Other Objects	-	2,660	-	-	-	-	-	2,660									
Total Instruction	497	46,162	43,505	-	120,000	113	453	210,730									
Support Services																	
Salaries	\$ 63,928	9,898	\$ 50,199					124,025									
Salaries of Other Prof Staff								-									
Personal Svcs. -Emp. Benefits			2,568	15,292				43,297									
Indirect Costs								-									
Purchased Prof and Educ Svcs.								-									
Purchased Prof and Tech Svcs				6,930				-									
Rentals								6,930									
Travel		389		90				479									
Contracted Svcs. -Transportation		1,238	5,679				270	7,187									
Purchased Property Services								6,930									
Other Purchased Services		3,075		2,484				7,490									
Supplies and Materials	241	6,109		1,373				7,723									
Energy								-									
Other Objects	-	-	-	199	-	-	478	677									
Total Support Services	241	14,600	8,247	76,567	-	-	748	204,738									
Facilities Acquisition																	
Instructional Equipment	-	-	-	-	-	-	-	-									
Total Facilities Acquisition	-	-	-	-	-	-	-	-									
Total Expenditures	\$ 738	\$ 104,335	\$ 60,762	\$ 51,752	\$ 76,567	\$ 120,000	\$ 113	\$ 415,468									

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

THIS SCHEDULE IS NOT APPLICABLE

CAPITAL PROJECTS FUND

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>Project Title/Description</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancellations</u>		<u>Balance June 30, 2013</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	
Teaneck High School Roof (Lease Purchase)	\$ 1,266,302	\$ 1,101,712			\$ 164,590	
Teaneck High School Culinary Lab	168,969	134,182	\$ 460	\$ 33,551		\$ 776
Energy Savings Improvement Program	8,878,088	1,591,475	5,328,558			1,958,055
Ben Franklin Tunnel Abatement	151,143		151,143			-
Thomas Jefferson Media Center HVAC	68,000					68,000
Teaneck High School Wireless	208,997		208,997			-
Benjamin Franklin Roof	1,092,000		6,400			1,085,600
Teaneck High School Roof	807,970		242,773			565,197
Hawthorne Asbestos Removal	138,740	-	-	-	-	138,740
	<u>\$ 12,780,209</u>	<u>\$ 2,827,369</u>	<u>\$ 5,938,331</u>	<u>\$ 33,551</u>	<u>\$ 164,590</u>	<u>\$ 3,816,368</u>

Reconciliation of Fund Balance, June 30, 2013

Project Balances Available	\$ 3,816,368	
Unfunded Projects - 2013-14 Capital Reserve	(2,038,710)	
Reserve for Payment of Lease Purchase (High School Roof)	339,125	
		\$ 2,116,783
Unfunded Balances - Cancelled Prior Years' SDA Grants Receivable		(603,548)
Interest to be Utilized for Payment of Lease Purchase Principal and Interest		3,644
Fund Balance, June 30, 2013 - GAAP Basis		<u>\$ 1,516,879</u>

Analysis of Restricted Fund Balance (GAAP):

Year End Encumbrances	\$ 2,114,852
Restricted for Capital Projects	(597,973)
Total Restricted Fund Balance	<u>\$ 1,516,879</u>

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Revenues and Other Financing Sources

Other Financing Sources	
Transfer from Capital Reserve	\$ 431,605
Total Revenues and Other Financing Sources	<u>431,605</u>

Expenditures and Other Financing Uses

Expenditures	
General Administrative - Bad Debt Expense - Cancelled SDA Grant Receivable	607,013
Support Services	
Supplies and Materials	460
Capital Outlay	
Purchased Professional and Technical Services	276,414
Construction Services	5,661,457
Other Financing Uses	
Lease Purchase Proceeds Utilized by Fiscal Agent to Pay Debt	<u>164,656</u>
Total Expenditures and Other Financing Uses	<u>6,710,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,278,395)
Fund Balance - Beginning of Year	<u>7,795,274</u>
Fund Balance - End of Year	<u>\$ 1,516,879</u>

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL ROOF
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 440,685		\$ 440,685	\$ 440,685
Lease Purchase	1,266,302	\$ (164,590)	1,101,712	825,617
 Total Revenues	 1,706,987	 (164,590)	 1,542,397	 1,266,302
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	169,124		169,124	169,124
Construction Services	932,588		932,588	1,097,178
Transfer to General Fund	101,560	-	101,560	-
 Total Expenditures and Other Financing Uses	 1,203,272	 -	 1,203,272	 1,266,302
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 503,715	 \$ (164,590)	 \$ 339,125	 \$ -
 Additional Project Information:				
Project Number	5150-050-10-2001			
Grant Date	9/1/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	1,266,302			
Additional Authorized Cost	-			
Revised Authorized Cost	1,266,302			
 Percentage Increase over Original Authorized Cost	 0%			
Percentage Completion	100%			
Original Target Completion Date	2011			
Revised Target Completion Date	2012			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL CULINARY LAB
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Donation	\$ 48,969		\$ 48,969	\$ 48,969
Transfer from Capital Reserve	86,449	-	86,449	86,449
 Total Revenues	 135,418	 -	 135,418	 135,418
Expenditures and Other Financing Uses				
Supplies and Materials		\$ 460	460	
Construction Services	134,182	-	134,182	135,418
 Total Expenditures and Other Financing Uses	 134,182	 460	 134,642	 135,418
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 1,236	 \$ (460)	 \$ 776	 \$ -

Additional Project Information:

Project Number	
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	170,000
Additional Authorized Cost	(34,582)
Revised Authorized Cost	135,418

Percentage Increase over Original Authorized Cost	-20%
Percentage Completion	100%
Original Target Completion Date	2012
Revised Target Completion Date	2012

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ENERGY SAVINGS IMPROVEMENT PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Other Sources - Premium on Bonds	\$ 698,088		\$ 698,088	\$ 698,088
Bond Proceeds	8,180,000	-	8,180,000	8,180,000
 Total Revenues	 8,878,088	 -	 8,878,088	 8,878,088
Expenditures and Other Financing Uses				
Salaries		\$ 5,000	5,000	5,000
Purchased Professional and Technical Services	672,384	230,666	903,050	2,684,136
Construction Services	919,091	5,097,892	6,016,983	6,188,952
 Total Expenditures and Other Financing Uses	 1,591,475	 5,328,558	 6,920,033	 8,878,088
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 7,286,613	 \$ (5,328,558)	 \$ 1,958,055	 \$ -
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	8,180,000			
Other Sources - Premium on Bonds	698,088			
Original Authorized Cost	8,878,088			
Additional Authorized Cost				
Revised Authorized Cost	8,878,088			
 Percentage Increase over Original Authorized Cost	 0%			
Percentage Completion	78%			
Original Target Completion Date	2012/2013			
Revised Target Completion Date	2012/2013			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BEN FRANKLIN TUNNEL ABATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 151,143	\$ 151,143	\$ 151,143
Total Revenues	-	151,143	151,143	151,143
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		39,348	39,348	39,348
Construction Services	-	111,795	111,795	111,795
Total Expenditures and Other Financing Uses	-	151,143	151,143	151,143
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	161,795			
Additional Authorized Cost	(10,652)			
Revised Authorized Cost	151,143			
Percentage Increase over Original Authorized Cost	-7%			
Percentage Completion	100%			
Original Target Completion Date	6/30/2013			
Revised Target Completion Date	6/30/2013			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
THOMAS JEFFERSON MEDIA CENTER HVAC
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 68,000	\$ 68,000	\$ 68,000
Total Revenues	-	68,000	68,000	68,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	
Construction Services	-	-	-	68,000
Total Expenditures and Other Financing Uses	-	-	-	68,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 68,000	\$ 68,000	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	68,000			
Additional Authorized Cost				
Revised Authorized Cost	68,000			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	0%			
Original Target Completion Date	6/30/2014			
Revised Target Completion Date	6/30/2014			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL WIRELESS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 208,997	\$ 208,997	\$ 208,997
Total Revenues	-	208,997	208,997	208,997
Expenditures and Other Financing Uses				
Construction Services	-	208,997	208,997	208,997
Total Expenditures and Other Financing Uses	-	208,997	208,997	208,997
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost		212,000		
Additional Authorized Cost		(3,003)		
Revised Authorized Cost		208,997		
Percentage Increase over Original Authorized Cost		-1%		
Percentage Completion		100%		
Original Target Completion Date		6/30/2013		
Revised Target Completion Date		6/30/2013		

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BENJAMIN FRANKLIN ROOF
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	-	-	\$ 1,092,000
Total Revenues	-	-	-	1,092,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 6,400	\$ 6,400	50,000
Construction Services	-	-	-	1,042,000
Total Expenditures and Other Financing Uses	-	6,400	6,400	1,092,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (6,400)	\$ (6,400)	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,092,000
Additional Authorized Cost	
Revised Authorized Cost	1,092,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	1%
Original Target Completion Date	6/30/2014
Revised Target Completion Date	6/30/2014

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL ROOF
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	-	-	\$ 807,970
Total Revenues	-	-	-	807,970
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	50,000
Construction Services	-	\$ 242,773	\$ 242,773	757,970
Total Expenditures and Other Financing Uses	-	242,773	242,773	807,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (242,773)	\$ (242,773)	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	807,970			
Additional Authorized Cost				
Revised Authorized Cost	807,970			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	30%			
Original Target Completion Date	6/30/2014			
Revised Target Completion Date	6/30/2014			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HAWTHORNE SCHOOL ASBESTOS REMOVAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	-	-	\$ 138,740
Total Revenues	-	-	-	138,740
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	62,100
Construction Services	-	-	-	76,640
Total Expenditures and Other Financing Uses	-	-	-	138,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	138,740			
Additional Authorized Cost				
Revised Authorized Cost	138,740			
 Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	0%			
Original Target Completion Date	6/30/2014			
Revised Target Completion Date	6/30/2014			

PROPRIETARY FUNDS

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2013**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**TEANECK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2013**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 152,492	\$ 428,345	\$ 580,837
Total Assets	<u>\$ 152,492</u>	<u>\$ 428,345</u>	<u>\$ 580,837</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 412,670	\$ 412,670
Flexible Spending Program		15,675	15,675
Due to Student Groups	<u>\$ 152,492</u>	<u>-</u>	<u>152,492</u>
Total Liabilities	<u>\$ 152,492</u>	<u>\$ 428,345</u>	<u>\$ 580,837</u>

**TEANECK BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**TEANECK BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance, July 1, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2013</u>
ELEMENTARY SCHOOLS				
Hawthorne	\$ 2,740	\$ 15,061	\$ 14,324	\$ 3,477
Bryant	510	15,805	12,927	3,388
Lowell	<u>2,590</u>	<u>9,876</u>	<u>8,758</u>	<u>3,708</u>
 Total Elementary Schools	 <u>5,840</u>	 <u>40,742</u>	 <u>36,009</u>	 <u>10,573</u>
 MIDDLE SCHOOLS				
Thomas Jefferson	18,483	38,381	39,150	17,714
Benjamin Franklin	<u>22,683</u>	<u>25,477</u>	<u>25,763</u>	<u>22,397</u>
 Total Middle Schools	 <u>41,166</u>	 <u>63,858</u>	 <u>64,913</u>	 <u>40,111</u>
 HIGH SCHOOL				
Teaneck High School	<u>97,866</u>	<u>126,066</u>	<u>133,771</u>	<u>90,161</u>
 OTHER				
Athletic	10,083	84,286	87,986	6,383
Music	<u>4,939</u>	<u>4,300</u>	<u>3,975</u>	<u>5,264</u>
 Total Other	 <u>15,022</u>	 <u>88,586</u>	 <u>91,961</u>	 <u>11,647</u>
 Total All Schools	 <u>\$ 159,894</u>	 <u>\$ 319,252</u>	 <u>\$ 326,654</u>	 <u>\$ 152,492</u>

**TEANECK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance, July 1, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2013</u>
ASSETS				
Cash	\$ 29,847	\$ 53,732,785	\$ 53,334,287	\$ 428,345
Total Assets	<u>\$ 29,847</u>	<u>\$ 53,732,785</u>	<u>\$ 53,334,287</u>	<u>\$ 428,345</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 29,755	\$ 23,758,088	\$ 23,375,173	\$ 412,670
Flexible Spending Program		68,670	52,995	15,675
Accrued Salaries and Wages	<u>92</u>	<u>29,906,027</u>	<u>29,906,119</u>	<u>-</u>
Total Liabilities	<u>\$ 29,847</u>	<u>\$ 53,732,785</u>	<u>\$ 53,334,287</u>	<u>\$ 428,345</u>

LONG-TERM DEBT

**TEANECK BOARD OF EDUCATION
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance, July 1, 2012	Paid	Balance, June 30, 2013
			Date	Amount				
Various Capital Improvements-District-wide	4/1/01	\$ 11,816,000	7/15/13	\$ 345,000	4.875	\$ 1,200,000	\$ 305,000	\$ 895,000
			7/15/14	550,000	4.875			
School Refunding Bonds	2/15/2003	4,270,000	7/1/13	405,000	4.00	1,205,000	410,000	795,000
			7/1/14	390,000	4.00			
School Refunding Bonds (Pension Series 2003)	2/15/2003	6,450,000	7/1/13	365,000	5.00			
			7/1/14	385,000	5.00			
			7/1/15	405,000	5.00			
			7/1/16	430,000	5.625			
			7/1/17	455,000	5.625			
			7/1/18	485,000	5.625			
			7/1/19	515,000	5.625			
			7/1/20	545,000	5.625			
School Refunding Bonds	7/27/2006	9,305,000	7/15/2013	25,000	4.00			3,385,000
			7/15/14	30,000	4.00			
			7/15/15	580,000	var			
			7/15/16-17	575,000	var			
			7/15/18	570,000	4.25			
			7/15/19	580,000	4.25			
			7/15/20	575,000	4.20			
			7/15/21-22	570,000	4.20			
			7/15/23	565,000	4.50			
			7/15/24	575,000	4.50			
			7/15/25-26	570,000	4.50			
			7/15/27	565,000	4.50			
			7/15/28-29	560,000	4.50			
			7/15/30	555,000	4.50			
School Energy Savings Obligation Refunding Bonds	4/15/2012	8,180,000	4/1/14	485,000	2.00			9,170,000
			4/1/15	320,000	3.00			
			4/1/16	400,000	3.00			
			4/1/17	440,000	3.00			
			4/1/18	465,000	3.00			
			4/1/19	500,000	3.00			
			4/1/20	545,000	4.00			
			4/1/21	600,000	4.00			
			4/1/22	645,000	4.00			
			4/1/23	590,000	4.50			
			4/1/24	640,000	4.00			
			4/1/25	700,000	4.00			
			4/1/26	750,000	4.00			
			4/1/27	805,000	4.00			
			Totals					
						\$ 23,710,000	\$ 1,380,000	\$ 22,330,000
Paid by Debt Service Fund Budget Appropriation							\$ 1,085,000	
Paid by General Fund Budget Appropriation							295,000	
							\$ 1,380,000	

TEANECK BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES/LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2012</u>	<u>Paid</u>	<u>Balance, June 30, 2013</u>
Savin Copiers	11/29/10	\$ 394,390	0.41%	\$ 286,181	\$ 76,753	\$ 209,428
Teaneck High School Roof Improvements	3/1/11	1,286,000	2.98%	1,043,787	249,485	794,302
				<u>\$ 1,329,968</u>	<u>\$ 326,238</u>	<u>\$ 1,003,730</u>
				Paid by Budget	\$ 200,573	
				Paid by Trustee	125,665	
					<u>\$ 326,238</u>	

**TEANECK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,785,784	-	\$ 1,785,784	\$ 1,785,784	-
Total Revenues	<u>1,785,784</u>	<u>-</u>	<u>1,785,784</u>	<u>1,785,784</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	1,085,000	-	1,085,000	1,085,000	
Interest	<u>700,785</u>	<u>-</u>	<u>700,785</u>	<u>700,783</u>	\$ 2
Total Expenditures	<u>1,785,785</u>	<u>-</u>	<u>1,785,785</u>	<u>1,785,783</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>1</u>	<u>2</u>
Net Change in Fund Balance	(1)	-	(1)	1	2
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

Recapitulation of Fund Balance:

Restricted

Available for Debt

Service Expenditures \$ 2

STATISTICAL SECTION

This part of the Teaneck Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TEANECK BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012 (Restated)	2013
Governmental Activities										
Net Investment in Capital Assets										
Restricted	\$ 14,862,018	\$ 22,868,603	\$ 24,173,348	\$ 25,187,935	\$ 25,514,557	\$ 26,966,982	\$ 27,900,242	\$ 27,808,537	\$ 29,832,741	\$ 27,689,490
Unrestricted	2,272,936	2,142,023	536,883	324,375	229,174	1,975,666	899,886	643,243	1,191,255	3,236,970
Total Governmental Activities Net Position	<u>\$ (4,101,443)</u>	<u>\$ (11,933,350)</u>	<u>\$ (933,246)</u>	<u>\$ 1,297,242</u>	<u>\$ 1,007,645</u>	<u>\$ (1,778,289)</u>	<u>\$ (3,820,722)</u>	<u>\$ (1,782,172)</u>	<u>\$ (2,316,760)</u>	<u>\$ (1,892,086)</u>
	\$ 13,033,511	\$ 13,077,276	\$ 23,756,985	\$ 26,809,552	\$ 26,751,376	\$ 27,164,359	\$ 24,979,406	\$ 26,669,608	\$ 28,707,236	\$ 29,034,374
Business-Type Activities										
Net Investment in Capital Assets										
Restricted	\$ 158,593	\$ 136,606	\$ 121,884	\$ 118,735	\$ 161,028	\$ 136,574	\$ 132,953	\$ 101,233	\$ 81,353	\$ 67,630
Unrestricted	256,930	250,417	317,915	343,334	312,806	275,705	123,100	76,294	(33,550)	84,428
Total Business-Type Activities Net Position	<u>\$ 415,523</u>	<u>\$ 387,023</u>	<u>\$ 439,799</u>	<u>\$ 462,069</u>	<u>\$ 473,834</u>	<u>\$ 412,279</u>	<u>\$ 256,053</u>	<u>\$ 177,527</u>	<u>\$ 47,803</u>	<u>\$ 152,058</u>
District-wide										
Net Investment in Capital Assets										
Restricted	\$ 15,020,611	\$ 23,005,209	\$ 24,295,232	\$ 25,306,670	\$ 25,675,585	\$ 27,103,556	\$ 28,033,195	\$ 27,909,770	\$ 29,914,094	\$ 27,757,120
Unrestricted	2,272,936	2,142,023	536,883	324,375	229,174	1,975,666	899,886	643,243	1,191,255	3,236,970
Total District Net Position	<u>\$ (3,844,513)</u>	<u>\$ (11,682,933)</u>	<u>\$ (635,331)</u>	<u>\$ 1,640,576</u>	<u>\$ 1,320,451</u>	<u>\$ (1,502,584)</u>	<u>\$ (3,697,622)</u>	<u>\$ (1,705,878)</u>	<u>\$ (2,350,310)</u>	<u>\$ (1,807,658)</u>
	\$ 13,449,034	\$ 13,464,299	\$ 24,196,784	\$ 27,271,621	\$ 27,225,210	\$ 27,576,638	\$ 25,235,459	\$ 26,847,135	\$ 28,755,039	\$ 29,186,432

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Source: District Records

TEANECK BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(across basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 29,719,687	\$ 31,160,121	\$ 30,326,336	\$ 33,233,372	\$ 35,644,622	\$ 32,850,320	\$ 34,139,305	\$ 30,421,657	\$ 32,671,988	\$ 33,576,131
Special Education	11,544,949	12,373,083	13,613,374	13,872,251	14,932,504	15,424,664	16,598,057	17,263,704	16,711,830	17,934,087
Other Instruction	3,746,571	3,826,374	4,010,844	4,131,219	4,040,837	4,490,700	4,861,567	3,382,495	4,061,728	4,049,272
Support Services:										
Student & Instruction Related Services	8,625,768	9,577,878	11,242,305	11,120,386	12,406,377	13,209,300	14,235,446	13,183,619	14,361,913	14,780,095
School Administrative Services	3,249,220	3,385,010	3,528,222	3,834,824	4,208,866	4,088,235	4,200,508	4,416,827	4,189,822	4,257,991
General Administration	1,753,771	1,665,867	1,300,385	1,465,891	1,481,314	1,789,267	1,410,162	1,122,333	1,080,471	1,494,069
Plant Operations and Maintenance	8,477,970	8,698,453	9,376,412	9,540,485	10,801,577	10,340,866	9,651,766	10,012,275	9,025,685	8,314,322
Pupil Transportation	4,205,799	4,778,426	4,718,265	4,967,222	5,174,060	5,101,656	5,134,633	4,833,999	4,696,541	4,567,081
Business and Other Support Services	937,802	1,366,593	1,425,850	1,494,206	1,368,503	1,376,200	1,790,946	1,982,452	1,993,106	2,125,032
Charter Schools	1,567,180	1,702,891	1,882,124	2,040,385	2,388,987	3,913,381	4,274,546	4,322,115	4,363,312	4,815,127
Interest and Other Charges on Long-Term Debt	1,045,821	1,014,275	1,023,267	969,897	921,055	887,725	847,364	833,217	920,530	1,129,319
Loss on Disposal of Capital Assets	1,529,758	78,461								
Total Governmental Activities Expenses	76,404,296	79,628,432	82,649,384	86,670,638	93,368,702	93,472,314	97,124,300	91,794,693	94,076,926	97,042,526
Business-Type Activities:										
Food Service	1,282,939	1,075,534	1,109,797	1,156,163	1,282,444	1,316,617	1,350,203	1,325,864	1,397,117	1,202,883
Loss on Disposal of Capital Assets	95,299	7,640								
Community School	635,442	718,397	777,445	799,129	855,417	747,254	884,402	859,294	858,905	708,373
Total Business-Type Activities	2,013,680	1,801,571	1,887,242	1,955,292	2,137,861	2,063,871	2,234,605	2,185,158	2,256,022	1,911,256
Total District Expenses	\$ 78,417,976	\$ 81,430,003	\$ 84,536,626	\$ 88,625,930	\$ 95,506,563	\$ 95,536,185	\$ 99,358,905	\$ 93,979,851	\$ 96,332,948	\$ 98,953,782
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 21,594	\$ 34,738	\$ 13,690	\$ 12,465	\$ 123,683	\$ 122,388	\$ 187,773	\$ 183,867	\$ 205,243	\$ 139,183
Special Education (Tuition)	89,313	103,044	146,930	192,172						
Rentals										
Student and Instruction Related Services	100,910	102,272	93,170	30,231	29,050	6,913	1,391	13,896,066	16,260,691	27,470
Pupil Transportation		40,533	31,816	30,231	16,684,940	14,893,154	13,382,713	202,209	504,250	17,291,743
Operating Grants and Contributions	12,049,664	12,298,920	13,371,086	15,462,501	74,259	77,089	417,097			
Capital Grants and Contributions	-	4,525	8,948,805	13,594						
Total Governmental Activities Program Revenues	12,261,481	12,584,052	22,603,497	15,710,963	16,911,932	15,099,544	13,988,974	14,282,142	16,970,184	17,458,396
Business-Type Activities:										
Charges for Services:										
Food Service	701,213	685,543	729,821	760,083	809,596	794,154	751,458	714,849	685,717	664,678
Community School	700,952	749,440	726,803	719,255	769,935	672,503	697,946	750,363	784,134	686,002
Operating Grants and Contributions	341,503	338,088	433,394	486,507	504,607	535,659	628,975	641,420	656,447	664,831
Capital Grants and Contributions				3,790	65,488	-	-	-	-	-
Total Business Type Activities Program Revenues	1,743,648	1,773,071	1,890,018	1,969,635	2,149,626	2,002,316	2,078,379	2,106,632	2,126,298	2,015,511
Total District Program Revenues	\$ 14,005,129	\$ 14,357,123	\$ 24,493,515	\$ 17,680,598	\$ 19,061,558	\$ 17,101,860	\$ 16,067,353	\$ 16,388,774	\$ 19,096,482	\$ 19,473,907

TEANECK BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental Activities	\$ (64,142,815)	\$ (67,044,380)	\$ (60,045,887)	\$ (70,959,675)	\$ (76,456,770)	\$ (78,372,770)	\$ (83,135,326)	\$ (77,512,551)	\$ (77,106,742)	\$ (79,584,130)
Business-Type Activities	(270,032)	(28,500)	2,776	14,343	11,765	(61,555)	(156,226)	(78,526)	(129,724)	104,255
Total District-Wide Net Expense	\$ (64,412,847)	\$ (67,072,880)	\$ (60,043,111)	\$ (70,945,332)	\$ (76,445,005)	\$ (78,434,325)	\$ (83,291,552)	\$ (77,591,077)	\$ (77,236,466)	\$ (79,479,875)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 61,126,989	\$ 64,266,441	\$ 67,872,613	\$ 71,386,061	\$ 73,468,869	\$ 75,400,085	\$ 77,384,174	\$ 77,452,263	\$ 77,452,263	\$ 77,760,542
Taxes Levied for Debt Service	1,790,672	1,757,205	1,778,539	1,770,877	1,755,174	1,768,016	1,758,616	1,441,802	1,782,863	1,785,784
Federal and State Aid - Restricted	3,683	25,963								
Federal and State Aid - Unrestricted	500,850	679,755	685,824	658,131	835,868	1,376,462	1,684,442	180,939	19,927	82,082
Investment Earnings	61,847	106,635	183,490	344,263	231,044	68,258	34,349	51,159		
Miscellaneous Income	403,611	252,146	253,923	161,599	107,639	172,932	88,792	192,205	262,013	282,860
Adjustments to Capital Assets			1,207							
Transfers	-	-	(50,000)							
Total Governmental Activities	63,887,652	67,088,145	70,725,596	74,320,931	76,398,594	78,785,753	80,950,373	79,318,368	79,517,066	79,911,268
Business-Type Activities:										
Miscellaneous Income	2,830									
Transfers			50,000							
Total Business-Type Activities	2,830	-	50,000	-	-	-	-	-	-	-
Total District-Wide	\$ 63,890,482	\$ 67,088,145	\$ 70,775,596	\$ 74,320,931	\$ 76,398,594	\$ 78,785,753	\$ 80,950,373	\$ 79,318,368	\$ 79,517,066	\$ 79,911,268
Change in Net Position										
Governmental Activities	\$ (255,163)	\$ 43,765	\$ 10,679,709	\$ 3,361,256	\$ (58,176)	\$ 412,983	\$ (2,184,953)	\$ 1,805,817	\$ 2,410,324	\$ 327,138
Business-Type Activities	(267,202)	(28,500)	52,776	14,343	11,765	(61,555)	(156,226)	(78,526)	(129,724)	104,255
Total District	\$ (522,365)	\$ 15,265	\$ 10,732,485	\$ 3,375,599	\$ (46,411)	\$ 351,428	\$ (2,341,179)	\$ 1,727,291	\$ 2,280,600	\$ 431,393

Source: District Records

TEANECK BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 4,553,477	\$ 5,321,786	\$ 5,065,041	\$ 8,072,251	\$ 7,724,554	\$ 5,974,960	\$ 3,704,385			
Unreserved	2,905,202	2,136,356	1,615,228	1,215,268	1,219,147	2,534,923	678,054			
Restricted								\$ 2,721,849	\$ 5,565,249	\$ 7,175,206
Committed								120,305	79,970	82,118
Assigned								2,943,508	3,389,790	1,301,033
Unassigned								1,087,713	(79,344)	320,670
Total General Fund	\$ 7,458,679	\$ 7,458,142	\$ 6,680,269	\$ 9,287,519	\$ 8,943,701	\$ 8,509,883	\$ 4,382,439	\$ 6,873,375	\$ 8,955,565	\$ 8,879,027
All Other Governmental Funds										
Reserved	\$ 2,360,074	\$ 130,518	\$ 1,593,018	\$ 646,918	\$ 37,798	\$ 1,214,258	\$ 290,768			
Unreserved	(7,936,369)	(7,478,776)	587,825	647,524	959,688	(855,564)	539,451			
Restricted								\$ 1,307,769	\$ 7,795,275	\$ 1,516,881
Total All Other Governmental Funds	\$ (5,576,295)	\$ (7,348,258)	\$ 2,180,843	\$ 1,294,442	\$ 997,486	\$ 360,694	\$ 830,219	\$ 1,307,769	\$ 7,795,275	\$ 1,516,881

Source: District Records

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

TEANECK BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property Tax Levy	\$ 62,917,661	\$ 66,023,646	\$ 69,651,152	\$ 73,156,938	\$ 75,224,043	\$ 77,168,101	\$ 79,142,790	\$ 78,894,065	\$ 79,235,126	\$ 79,546,326
Tuition Charges	110,907	137,802	160,620	204,637	123,683	122,388	187,773	183,867	205,243	139,183
Transportation			31,816	30,231	29,050	6,913	1,391			
Rentals										27,470
Interest Earnings	61,847	106,635	183,490	344,263	231,044	68,258	34,349	51,159	19,927	82,082
Miscellaneous	653,560	633,559	448,061	386,422	331,950	402,246	329,281	456,835	638,879	692,169
State Sources	10,598,557	10,964,730	21,147,823	14,481,637	15,662,352	13,758,044	12,419,416	11,081,930	13,905,994	14,908,247
Federal Sources	1,851,688	1,702,792	1,661,754	1,427,766	1,708,404	2,359,347	2,824,347	2,932,654	2,482,081	1,848,522
Total Revenues	76,194,220	79,569,164	93,284,716	90,031,894	93,310,526	93,885,297	94,939,347	93,600,510	96,487,250	97,243,999
Expenditures										
Instruction										
Regular Instruction	29,650,392	31,039,378	30,639,436	32,813,841	35,346,984	32,639,028	34,144,175	30,353,393	32,515,309	33,564,746
Special Education Instruction	11,544,949	12,338,630	13,653,744	13,863,019	14,953,496	15,436,454	16,597,980	17,264,938	16,713,108	17,934,087
Other Instruction	4,122,140	4,193,269	3,975,103	4,125,038	4,050,555	4,494,747	4,859,251	3,383,004	4,062,282	4,049,272
Support Services:										
Student & Inst. Related Services	8,492,311	9,394,007	11,095,991	11,078,954	12,432,337	13,220,248	14,226,151	13,080,340	14,251,100	14,645,500
General Administration	1,770,563	1,625,480	1,238,231	1,532,168	1,446,207	1,488,827	1,508,645	1,172,764	1,074,120	1,552,943
School Administrative Services	3,238,962	3,328,951	3,572,804	3,684,283	4,035,116	4,022,602	4,155,819	4,397,523	4,179,353	4,275,614
Plant Operations and Maintenance	7,464,871	7,644,984	8,369,649	8,611,592	9,658,327	9,309,473	8,520,674	8,937,828	7,849,296	7,047,981
Pupil Transportation	4,205,799	4,777,295	4,719,755	4,966,864	5,174,724	5,101,986	5,134,631	4,854,016	4,696,557	4,567,081
Business and Other Support Services	931,694	1,353,602	1,416,551	1,492,488	1,371,661	1,377,927	1,790,932	1,982,676	1,993,324	2,125,032
Charter Schools	1,567,180	1,702,891	1,882,124	2,040,585	2,388,987	3,913,381	4,274,546	4,322,115	4,363,312	4,815,127
Capital Outlay	8,092,199	2,169,774	1,666,023	1,881,282	1,323,022	2,183,219	1,608,203	728,345	2,820,781	6,190,573
Debt Service:										
Principal	790,000	760,000	1,238,499	1,275,891	870,000	900,000	945,000	1,015,177	1,350,245	1,580,573
Interest and Other Charges	990,597	1,013,403	1,015,578	945,040	899,884	868,016	831,259	800,597	833,259	1,250,502
Cost of Issuance								19,698	93,496	
Total Expenditures	82,861,657	81,341,664	84,483,488	88,311,045	93,951,300	94,955,908	98,597,266	92,312,414	96,795,542	103,599,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,667,437)	(1,772,500)	8,801,228	1,720,849	(640,774)	(1,070,611)	(3,657,919)	1,288,096	(308,292)	(6,355,032)

TEANECK BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)										
Bond Sale Premium to Debt Service Fund										
Capital Leases (non-budgeted)										
Proceeds from Sale of Bonds	\$ 304,137							\$ 1,680,390	\$ 8,180,000	
Premium on Sale of Bonds									698,088	
Transfers In	1,633,416	\$ 250,316	\$ 2,007,362	\$ 450,000	\$ 339,713	\$ 2,426,254	\$ 1,640,502	556,255	339,572	\$ 431,605
Transfers Out	(1,633,416)	(250,316)	(2,057,362)	(450,000)	(339,713)	(2,426,254)	(1,640,502)	(556,255)	(339,572)	(431,605)
Total Other Financing Sources (Uses)	304,137	-	(50,000)	-	-	-	-	1,680,390	8,878,088	-
Net Change in Fund Balances	\$ (6,363,300)	\$ (1,772,500)	\$ 8,751,228	\$ 1,720,849	\$ (640,774)	\$ (1,070,611)	\$ (3,657,919)	\$ 2,968,486	\$ 8,569,796	\$ (6,355,032)
Debt Service as a Percentage of Noncapital Expenditures	2.38%	2.24%	2.72%	2.57%	1.91%	1.91%	1.83%	1.98%	2.32%	2.91%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Records

**TEANECK BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest Earned</u>	<u>Transportation</u>	<u>Prior Year Refunds</u>	<u>Township (Forum)</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	\$ 110,907	\$ 51,278	\$ 47,709	\$ 38,251	\$ 50,000	\$ 59,273	\$ 208,378	\$ 565,796
2005	137,802	105,951	40,533		50,000	54,501	147,645	536,432
2006	160,620	181,952	31,816			41,841	212,082	628,311
2007	204,637	342,185	30,231			34,669	126,930	738,652
2008	123,683	229,648	29,050			24,274	83,365	490,020
2009	122,388	68,081	6,913	440		27,800	144,692	370,314
2010	187,773	34,349	1,391			23,166	65,626	312,305
2011	183,867	51,095		75,817		35,651	80,737	427,167
2012	205,243	19,927		26,325		36,496	199,192	487,183
2013	139,183	82,082		67,832		27,470	215,028	531,595

Source: District Records

TEANECK BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax Exempt Property	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2004	\$ 13,884,300	\$ 2,196,846,700	\$ 274,001,100	\$ 24,616,200	\$ 89,651,800	\$ 2,599,000,100	\$ 338,060,300	\$ 3,345,752	\$ 2,602,345,852	\$ 4,032,636,060	\$ 2.477
2005	14,132,600	2,214,425,400	272,815,200	24,341,200	107,514,300	2,633,228,700	338,537,700	3,121,751	2,636,350,451	4,545,262,225	2.570
2006	12,228,400	2,252,561,700	273,763,900	23,682,500	89,433,700	2,651,670,200	339,526,100	2,723,194	2,654,393,394	5,083,024,439	2.690
2007	25,474,400	5,242,322,900	561,376,500	46,853,000	199,453,200	6,075,480,000	559,534,400	5,198,681	6,080,678,681	5,747,636,530	1.220
2008	29,911,100	5,239,172,100	575,765,100	45,394,000	198,441,100	6,088,683,400	558,851,200	5,118,294	6,093,801,694	6,176,343,931	1.250
2009	32,595,400	5,238,910,900	577,547,800	45,721,800	192,381,500	6,087,157,400	560,482,500	5,181,164	6,092,338,564	6,378,073,477	1.282
2010	28,599,600	5,250,478,800	572,256,800	42,596,300	191,725,400	6,085,656,900	565,901,000	7,236,257	6,092,893,157	6,130,053,183	1.297
2011	25,463,300	5,243,263,500	565,495,900	42,596,300	184,038,300	6,060,857,300	567,130,600	5,815,726	6,066,673,026	5,834,628,366	1.306
2012	23,156,300	5,202,928,400	557,720,900	41,484,700	186,093,300	6,011,383,600	570,785,800	5,549,185	6,016,932,785	5,786,499,545	1.322
2013	24,818,100	5,069,989,600	553,520,800	41,343,700	219,962,200	5,909,634,400	571,155,900	5,307,402	5,914,941,802	5,456,608,194	1.365

Source: County Abstract of Rates

^a Tax rates are per \$100

TEANECK BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	Total Direct School Tax Rate	Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	County of Bergen		
2004	\$ 2.477	\$ 1.384	\$ 0.319	\$	4.180
2005	2.570	1.473	0.337		4.380
2006	2.690	1.602	0.348		4.640
2007	1.220	0.758	0.172		2.150
2008	1.250	0.758	0.189		2.197
2009	1.282	0.797	0.202		2.281
2010	1.297	0.834	0.197		2.328
2011	1.306	0.858	0.199		2.363
2012	1.322	0.865	0.210		2.397
2013	1.365	0.912	0.209		2.486

Source: County Abstract of Ratables

**TEANECK BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2013		2004	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Glenpointe Associates	\$ 56,210,100	0.95 %	\$ 91,008,000	3.50 %
Glenpointe Associates III	43,186,000	0.73		
Glenpointe Associates II, LLC	40,714,500	0.69		
SNH Teaneck Properties, LLC	38,000,000	0.64		
Heritage Pointe of Teaneck	35,000,000	0.59		
Glenpointe Associates	31,324,200	0.53		
Teaneck Garden Owners Corp.	16,500,000	0.28	7,600,000	0.29
Glenpointe Associates II, LLC	13,469,200	0.23		
Care One at Teaneck, LLC	12,000,000	0.20		
411 Alfred LLC	10,750,000	0.18		
Teaneck Limited PTNP			27,000,000	1.04
Givaudan-Roure Fragrance Corp			9,664,900	0.37
Holy Name Real Estate Corp			7,973,200	0.31
Bell Atlantic			6,000,000	0.23
Individual Taxpayer			5,350,000	0.21
F.W. Teaneck			5,080,000	0.20
Cedar Holding Assoc.			4,043,200	0.16
Carriage IV Office Center			3,926,000	0.15
	<u>\$ 297,154,000</u>	<u>\$ 5.02 %</u>	<u>\$ 167,645,300</u>	<u>\$ 6.46 %</u>

Source: Municipal Tax Assessor

**TEANECK BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	\$ 62,917,661	\$ 62,917,661	100%	N/A
2005	66,023,646	66,023,646	100%	N/A
2006	69,651,152	69,651,152	100%	N/A
2007	73,156,938	73,156,938	100%	N/A
2008	75,224,043	75,224,043	100%	N/A
2009	77,168,101	77,168,101	100%	N/A
2010	79,142,790	79,142,790	100%	N/A
2011	78,894,065	78,894,065	100%	N/A
2012	79,235,126	79,235,126	100%	N/A
2013	79,546,326	79,546,326	100%	N/A

N/A - Not Applicable

Source: District records

**TEANECK BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases/ Lease Purchase Agreements</u>			
2004	\$ 22,301,000	\$1,352,887	\$ 23,653,887	3,933	\$ 6,014
2005	21,541,000	919,390	22,460,390	39,018	576
2006	20,751,000	470,891	21,221,891	38,820	547
2007	19,946,000		19,946,000	38,652	516
2008	19,390,000		19,390,000	38,541	503
2009	18,490,000		18,490,000	38,633	479
2010	17,545,000		17,545,000	39,823	441
2011	16,565,000	1,645,213	18,210,213	40,033	455
2012	23,710,000	1,329,968	25,039,968	40,033 *	625
2013	22,330,000	1,003,730	23,333,730	40,093 *	582

Source: District records

*** Estimated**

TEANECK BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	\$ 22,301,000		\$ 22,301,000	0.86	\$ 5,670
2005	21,541,000		21,541,000	0.82	552
2006	20,751,000		20,751,000	0.78	535
2007	20,260,000		20,260,000	0.33	524
2008	19,390,000		19,390,000	0.32	503
2009	18,490,000		18,490,000	0.30	479
2010	17,545,000		17,545,000	0.29	441
2011	16,565,000		16,565,000	0.27	414
2012	23,710,000		23,710,000	0.39	592
2013	22,330,000		22,330,000	0.38	557

Source: District records

TEANECK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Direct Debt:			
Teaneck Board of Education	\$ 22,625,000	\$ 22,625,000	
Township of Teaneck (1)	<u>33,288,371</u>	<u>5,450,000</u>	<u>\$ 27,838,371</u>
	<u>\$ 55,913,371</u>	<u>\$ 28,075,000</u>	<u>27,838,371</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen (A)			26,979,702
Bergen County Utilities Authority - Water Pollution (B)			<u>16,064,652</u>
			<u>43,044,354</u>
Total Direct and Overlapping Debt			<u>\$ 70,882,725</u>

Source:

(1) Township of Teaneck's 2012 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township of Teaneck by dividing the municipality's 2012 equalized value by the total 2012 equalized value for Bergen County.

(B) The debt was computed based upon usage

TEANECK BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 143,839,794	\$ 160,202,419	\$ 179,884,210	\$ 202,472,510	\$ 224,704,147	\$ 242,359,877	\$ 247,887,546	\$ 243,822,451	\$ 236,575,160	\$ 228,885,336
Total Net Debt Applicable to Limit	30,139,363	29,379,363	20,751,590	19,946,000	19,390,590	13,630,000	12,980,000	16,565,000	23,710,000	22,330,000
Legal Debt Margin	\$ 113,700,431	\$ 130,823,056	\$ 159,132,620	\$ 182,526,510	\$ 205,313,557	\$ 228,729,877	\$ 234,907,546	\$ 227,257,451	\$ 212,865,160	\$ 206,555,336
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.95%	18.34%	11.54%	9.85%	8.63%	5.62%	5.24%	6.79%	10.02%	9.76%

Source: Annual Debt Statements

Legal Debt Margin Calculation June 30, 2013

Equalized Valuation Basis	
2012	\$ 5,525,676,625
2011	5,808,757,236
2010	5,831,966,363
	<u>\$ 17,166,400,224</u>
Average Equalized Valuation of Taxable Property	\$ 5,722,133,408
Debt Limit (4 % of average equalization value)	228,885,336
Less: Total Net Debt Applicable to Limit	<u>22,330,000</u>
Legal Debt Margin	<u>\$ 206,555,336</u>

**TEANECK BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2003	39,445	\$ 51,132	5.20%
2004	39,331	54,462	4.30%
2005	39,018	56,706	3.50%
2006	38,820	62,714	3.70%
2007	38,652	67,394	3.20%
2008	38,541	68,227	4.10%
2009	38,633	63,198	7.50%
2010	39,823	65,486	7.40%
2011	40,033	66,096	7.00%
2012	40,093	N/A	7.60%

Source: New Jersey State Department of Education

N/A - Information was not available.

**TEANECK BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Employer	2013		2004	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Holy Name Hospital	2,653			
Fairleigh Dickinson University	789			
Teaneck Board of Education	629			NOT AVAILABLE
Teaneck Township	516			
Glenpointe Associates	220			
The Community School	140			
May'ayanot Yeshiva High School	69			
US Postal Service	58			
Teaneck Charter School	45			
World of Wings	38			

** Estimated

TEANECK BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS
(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Function/Program</u>								
Instruction								
Regular	286.9	292.5	283.0	296.5	296.9	236.6	246.2	239.0
Special Education	107.0	97.5	106.0	127.5	132.6	123.4	137.4	140.8
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0	3.0	3.0
Support Services:								
Student & Instruction Related Services	94.1	91.0	91.0	101.8	96.8	95.0	92.0	91.5
General Administration	5.0	5.5	5.0	3.3	4.3	3.0	4.0	4.0
School Administrative Services	32.5	31.0	35.0	36.0	36.0	35.0	34.0	33.0
Plant Operations and Maintenance	116.5	112.5	115.0	110.5	108.5	96.5	98.0	95.5
Pupil Transportation	9.0	10.0	10.0	9.0	11.0	1.0	1.0	1.0
Business and Other Support Services	13.0	11.0	10.0	13.0	16.0	15.0	15.0	14.0
Community School	5.0	5.0	5.0	4.5	6.0	6.0	3.7	2.0
Total	<u>670</u>	<u>657</u>	<u>661</u>	<u>703</u>	<u>709</u>	<u>613</u>	<u>634</u>	<u>624</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB 44 in fiscal year 2006 only eight years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

**TEANECK BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2004	4,526	\$ 73,469,230	\$ 15,882	5.00%	436.04	13.7	11.1	11.5	4,387	4,172	-1.75%	95.10%
2005	4,531	77,578,173	17,122	7.81%	436.00	13.7	11.1	11.5	4,256	4,065	-2.99%	95.51%
2006	4,526	80,563,388	17,800	3.96%	400.30	11.3	9.8	10.9	4,257	4,047	0.03%	95.06%
2007	4,482	84,212,622	18,789	5.56%	401.80	10.7	9.3	11	4,147	3,935	-2.59%	94.89%
2008	4,350	90,858,394	20,887	11.17%	428.30	9.7	8.5	10	4,021	3,839	-3.03%	95.47%
2009	4,284	91,004,673	21,243	1.70%	432.80	10.7	8.5	10	3,940	3,731	-2.02%	94.70%
2010	4,192	89,768,295	21,414	0.81%	433.40	11.6	8.8	9.5	4,020	3,786	2.03%	94.18%
2011	4,308	89,748,597	20,833	-2.71%	385.00	11.4	9.1	10.4	3,955	3,769	-1.62%	95.30%
2012	4,196	91,697,761	21,854	4.90%	391.00	11.0	8.9	9.8	3,875	3,706	-2.02%	95.64%
2013	4,131	94,577,383	22,895	4.76%	395.80	11.1	8.2	9.4	3,791	3,685	-2.17%	97.20%

Sources: District records

Note: a Resident student enrollment based on annual October district count.
b Operating expenditures equal total expenditures less debt service and capital outlay.
c Cost per pupil represents operating expenditures divided by enrollment.

**TEANECK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST EIGHT FISCAL YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Building</u>								
<u>Elementary</u>								
Bryant-Kindergarten/Pre-K (1926)								
Square Feet	47,438	47,438	47,438	47,438	47,438	47,438	47,438	47,338
Capacity (students)	475	475	475	475	475	475	475	475
Enrollment	345	345	288	292	367	366	352	328
Whittier (1921)								
Square Feet	55,118	55,118	55,118	55,118	55,118	55,118	55,118	55,118
Capacity (students)	656	656	656	656	656	656	656	656
Enrollment	411	411	373	385	406	380	365	339
Hawthorne (1925)								
Square Feet	49,373	49,373	49,373	49,373	49,373	49,373	49,373	49,373
Capacity (students)	648	648	648	648	648	648	648	648
Enrollment	374	374	371	354	347	319	346	391
Lowell (1934)								
Square Feet	47,106	47,106	47,106	47,106	47,106	47,106	47,106	47,106
Capacity (students)	536	536	536	536	536	536	536	536
Enrollment	375	375	327	305	321	352	309	335
<u>Middle School</u>								
Thomas Jefferson M.S. (1958)								
Square Feet	105,216	105,216	105,216	105,216	105,216	105,216	105,216	105,216
Capacity (students)	894	894	894	894	894	894	894	894
Enrollment	690	690	669	626	624	614	598	577
Ben Franklin M.S. (1957)								
Square Feet	100,202	100,202	100,202	100,202	100,202	100,202	100,202	100,202
Capacity (students)	727	727	727	727	727	727	727	727
Enrollment	611	611	558	555	576	560	570	525
Teaneck High School (1926)								
Square Feet	215,808	215,808	215,808	215,808	215,808	215,808	215,808	215,808
Capacity (students)	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
Enrollment	1,459	1,459	1,396	1,398	1,369	1,336	1,298	1,272
Eugene Field School (1955)								
Square Feet	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877
Capacity (students)	25	25	25	25	25	25	25	25

Source: District Records

Note:
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB 44 in fiscal year 2006 only eight years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

TEANECK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

<u>School Facilities</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Teaneck Sr. High (#050)	\$ 646,694	\$ 535,018	\$ 570,400	\$ 490,756	\$ 618,357	\$ 526,983	\$ 477,898	\$ 392,018	\$ 454,271	\$ 414,218
Benjamin Franklin Middle School (#060)	400,951	210,450	192,554	226,142	294,547	238,789	185,205	161,360	177,288	172,698
Thomas Jefferson Middle School (#070)	237,793	257,414	188,874	251,812	319,761	267,972	199,156	179,666	186,301	196,548
Bryant (#080)	91,315	103,093	94,815	119,133	140,552	108,934	94,760	73,689	83,199	81,183
Hawthorne (#110)	137,997	168,560	194,952	116,255	133,688	115,099	96,526	92,565	95,720	95,253
Lowell (#130)	55,326	51,205	93,269	95,672	132,144	124,384	89,683	73,332	83,997	110,949
Whittier (#150)	131,603	188,417	167,690	146,222	196,666	120,333	102,949	85,635	96,002	102,111
Eugene Field (#999)	90,778	141,906	126,913	48,802	63,721	65,148	50,985	40,248	43,544	54,733
District-Wide Total	<u>\$ 1,792,457</u>	<u>\$ 1,656,063</u>	<u>\$ 1,629,467</u>	<u>\$ 1,494,794</u>	<u>\$ 1,899,436</u>	<u>\$ 1,567,642</u>	<u>\$ 1,297,162</u>	<u>\$ 1,098,513</u>	<u>\$ 1,220,322</u>	<u>\$ 1,227,693</u>

Source: District Records

**TEANECK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2013
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Insurance Co.		
Property-Blanket Building/Contents	\$ 175,936,357	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Comprehensive General Liability (each occurrence)	1,000,000	
Comprehensive Crime Coverage	100,000/400,000 Excess	5,000
Automobile Liability	1,000,000	1,000 Ded Comp/Coll
Boiler and Machinery - Selective Insurance Company		
Blanket Property Damage	175,936,357	5,000
Umbrella Liability - American Alternate Insurance Company	9,000,000	10,000 Retention
Excess Umbrella - (Fireman's Fund)	50,000,000 Group Agg	
Educator's Professional Liability - Ace American Insurance	1,000,000	25,000 Ded for SBLL
School Board Legal/Employment Practices Liability		50,000 Ded for EPL
Pollution Coverage - Ace American Insurance	1,000,000	15,000
	20,000,000 Group Agg	

Source: NESBIG/Burton Agency

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
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LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Teaneck Board of Education
Teaneck, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Teaneck Board of Education's basic financial statements and have issued our report thereon dated November 5, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Teaneck Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Teaneck Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Teaneck Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

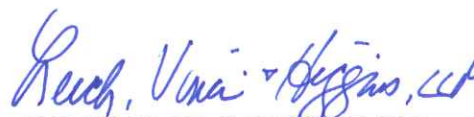
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Teaneck Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the Teaneck Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 5, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Teaneck Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Teaneck Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 5, 2013



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Teaneck Board of Education
Teaneck, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Teaneck Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Teaneck Board of Education's major federal and state programs for the fiscal year ended June 30, 2013. The Teaneck Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Teaneck Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Teaneck Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Teaneck Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Teaneck Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which is described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal and state program is not modified with respect to this matter.

The Teaneck Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Teaneck Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Teaneck Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Teaneck Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Teaneck Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 5, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


 LERCH, VINCI & HIGGINS, LLP
 Certified Public Accountants
 Public School Accountants


 Gary J. Vinci
 Public School Accountant
 PSA Number CS00829

Fair Lawn, New Jersey
 November 5, 2013

TEANECK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal CFDA Number	Federal/Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment Carryover Receivables	Refund Prior Year Balance	Adjustment Prior Year Orders	Balance, June 30, 2013 (Accounts Receivable)	Unearned Revenue	Due to Grantor	MEMO GAAP Receivable
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
84.010	NCLB Title I	NCLB515013	9/1/12-8/31/13	\$ 526,145	\$	\$ 291,025	\$ 172,938	\$ 232,578	\$ (291,025)		\$ 15,905	\$ (644,232)	\$ 584,592	\$	\$ (59,640)
84.010	NCLB Title I	NCLB515012	9/1/11-8/31/12	543,140	\$ (244,720)	(291,025)	428,088	199,272	295,905		\$			1,881	\$ (25,223)
84.010	NCLB Title III	NCLB515013	9/1/12-8/31/13	24,277		10,683	7,103	32,326	(10,683)			(27,857)	2,634		-
84.010	NCLB Title III	NCLB515012	9/1/11-8/31/12	24,239	(21,043)	(10,683)	28,049	5,006	10,683			(22,300)	22,300		-
84.010	NCLB Title III Immigrant	NCLB515013	9/1/12-8/31/13	22,300								(316,489)	25,065		(291,424)
84.027	IDEA Part B Basic	IDEA515013	9/1/12-8/31/13	1,018,285	(250,789)		735,663	1,027,087	(33,867)						-
84.027	IDEA Part B Basic	IDEA515012	9/1/11-8/31/12	1,045,884		(33,867)	255,085	4,296	33,867						-
84.173	IDEA Part B Preschool	IDEA515013	9/1/12-8/31/13	27,372			27,372	174				(104,949)	73,591		(31,358)
84.173	IDEA Part B Preschool	IDEA515012	9/1/11-8/31/12	27,773	(3,300)		3,474	97,817	(56,102)		517				-
84.367	NCLB Title II- Part A	NCLB515013	9/1/12-8/31/13	115,306	(21,111)	(56,102)	66,459	2,904	56,102			(48,256)			(43,256)
84.367	NCLB Title II- Part A	NCLB515012	9/1/11-8/31/12	136,779	150		23,498	14,061		150		(15,270)	1,209		(14,061)
84.243A	Tech-Prep Grant	09-BV12-G06	9/1/09-8/31/10	240,000											-
84.413A	Race to the Top	N/A	7/1/12 - 11/30/15	43,256											-
N/A	EEA N7 - Teacher Effectiveness	12-RT02-A01	7/1/12 - 9/30/13	15,270											-
84.215E	Counseling Expansion Program	Q215E090021	4/1/11-3/31/12	304,785	(93,813)	-	93,311	-	-	-	502	-	-	-	-
Total Special Revenue Fund															
				(636,626)	-	-	1,841,040	1,886,149	1,880	150	16,924	(1,174,353)	709,391	1,881	(464,962)
U.S. Department of Agriculture															
Passed-through State Department of Education															
Enterprise Fund:															
10.555	NSLP - Non Cash Assistance	N/A	7/1/11-6/30/12	44,744	5,029			5,029					11		-
10.555	NSLP - Non Cash Assistance	N/A	7/1/12-6/30/13	39,228			39,228	39,217							-
10.553	School Breakfast Program	N/A	7/1/11-6/30/12	72,644	(5,429)		5,429					(4,605)			(4,605)
10.553	School Breakfast Program	N/A	7/1/12-6/30/13	74,868			70,263	74,868							-
10.555	NSLP - Cash Assistance	N/A	7/1/11-6/30/12	477,670	(31,798)	-	31,798		-	-	-	(38,850)	-	-	(38,850)
10.555	NSLP - Cash Assistance	N/A	7/1/12-6/30/13	485,038		-	446,188	485,038	-	-	-		-	-	-
Total Enterprise Fund															
				(32,198)	-	-	592,906	604,152	-	-	-	(43,455)	11	-	(43,455)
U.S. Department of Health and Human Services															
Passed-through State Department of Education															
General Fund:															
84.410	Education Jobs Fund		7/1/11-6/30/12	260,396	(26,567)		26,567	650				(650)			(650)
93.778	Medicaid Reimbursement Program (SEMI)	N/A	7/1/12-6/30/13	80,118			80,118	80,118							-
93.778	Medicaid Reimbursement Program (SEMI)	N/A	7/1/11-6/30/12	69,739	(15,395)		15,395								-
97.036	FEMA (Superstorm Sandy)	N/A	7/1/12-6/30/13	35,881		-	35,881		-	-	-		-	-	-
Total General Fund															
				(41,962)	-	-	157,961	116,649	-	-	-	(650)	-	-	(650)
Total Federal Financial Awards															
				\$ (710,786)	\$	-	\$ 2,591,907	\$ 2,406,950	\$ 1,880	\$ 150	\$ 16,924	\$ (1,218,458)	\$ 709,402	\$ 1,881	\$ (509,067)

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

TEANECK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2012	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Adjustment	Balance, June 30, 2013			MEMO	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	\$ 1,811,890		\$ 1,711,632	\$ 1,811,890			\$ (100,258)			\$ 1,811,890	
Transportation Aid	12-495-034-5120-014	7/1/11-6/30/12	1,775,901	\$ (102,135)	102,135								
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	2,571,970		2,429,654	2,571,970			(142,316)			2,571,970	
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	2,438,809	(140,259)	140,259								
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	701,690		662,863	701,690			(38,827)			701,690	
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	697,483	(40,113)	40,113								
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	1,102,089		1,459,956	1,102,089			(1,102,089)			1,102,089	
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	1,459,956	(1,459,956)									
Nonpublic Transportation Aid	13103190	7/1/12-6/30/13	139,923			139,923			(139,923)			139,923	
Nonpublic Transportation Aid	12103190	7/1/11-6/30/12	157,163	(157,163)									
Homeless Tuition	N/A	7/1/12-6/30/13	36,024			36,024			(36,024)			36,024	
On Behalf TPAF Pension System Contribution	13-495-034-5095-001	7/1/12-6/30/13	2,647,486		2,647,486	2,647,486						2,647,486	
On Behalf TPAF Pension System Contribution	13-495-034-5095-006	7/1/12-6/30/13	2,224,329		2,224,329	2,224,329						2,224,329	
On Behalf TPAF Pension System Contribution	13-495-034-5095-007	7/1/12-6/30/13	117,030		117,030	117,030						117,030	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	2,591,835	(129,872)	129,872								
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13	2,572,870	-	2,445,785	2,572,870	-	-	(127,085)	-	-	2,572,870	
Total General Fund				(2,029,498)	14,268,277	13,925,301	-	-	(1,686,522)	-	-	13,925,301	
Special Revenue Fund:													
New Jersey Nonpublic Aid													
Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	36,775		36,775	35,327	\$ 3,071			\$ 1,448		35,327	
Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	35,047	3,071	51,044	51,044				-		-	
Nursing Services	13-100-034-5120-070	7/1/12-6/30/13	13,788		13,788	11,641				2,147		51,044	
Technology	13-100-034-5120-373	7/1/12-6/30/13	13,788									11,641	
Auxiliary Services													
Compensatory Education	13-100-034-5120-067	7/1/12-6/30/13	51,001		51,001	17,222				33,779		17,222	
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	61,963	24,768			24,768			-		-	
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	1,705		1,705					1,705		-	
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	4,310	4,310			4,310			-		-	
Transportation	13-100-034-5120-067	7/1/12-6/30/13	7,409		7,409	7,409				-		7,409	
Transportation	12-100-034-5120-067	7/1/11-6/30/12	7,644	7,644			7,644			-		-	
Home Instruction	13-100-034-5120-067	7/1/12-6/30/13	567			567			(567)			567	
Home Instruction	12-100-034-5120-067	7/1/11-6/30/12	382	(382)								-	
Handicapped Services													
Examination and Classification	13-100-034-5120-066	7/1/12-6/30/13	84,551		84,551	83,593				958		83,593	
Examination and Classification	12-100-034-5120-066	7/1/11-6/30/12	92,093	5,960			5,960			-		-	
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	6,250		6,250	1,719				4,531		1,719	
Corrective Speech	12-100-034-5120-066	7/1/11-6/30/12	9,242	6,951			6,951			-		-	
Supplementary Instruction	13-100-034-5120-066	7/1/12-6/30/13	26,366		26,366	15,610				10,756		15,610	
Supplementary Instruction	12-100-034-5120-066	7/1/11-6/30/12	37,321	11,856			11,856			-		-	
School Based Youth Services	13-100-034-7500-068	7/1/12-6/30/13	316,192		316,192	316,192						316,192	
School Based Youth Services	10-100-034-7500-068	7/1/09-6/30/10	307,892	20,745			20,745						
School Based Youth Services	11-100-034-7500-068	7/1/10-6/30/11	307,892	(2,585)					(2,585)			(2,585)	
EE4 NJ - Teacher Effectiveness	12-RT02-A01	7/15/12 - 9/30/13	88,610	-	-	83,649	-	-	(88,610)	\$ 4,961	-	(83,649)	
Total Special Revenue Fund				82,338	595,463	623,973	85,305	-	(91,762)	4,961	55,324	(86,801)	623,973

TEANECK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2012	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Adjustment	Balance, June 30, 2013		MEMO	
									(Accounts Receivable)	Deferred Revenue	GAAP Accounts Receivable	Cumulative Total Expenditures
Capital Projects												
Economic Development Grant	SP200422-C2		\$ 1,622,790	\$ (603,548)				\$ 603,548				1,622,790
Economic Development Grant	SP2002877		56,532	(56,532)	\$ 56,532			-				56,532
NJ School Construction- EFCFA	5150-050-03-0908		411,704	(336,329)	341,660			(5,331)				411,704
NJ School Construction- EFCFA	5150-110-04-1000		128,118	(98,006)	116,741			(18,735)				128,118
NJ School Construction- EFCFA	5150-050-03-1292		194,800	(192,976)	157,796			35,180				194,800
NJ School Construction- EFCFA	5150-050-04-1000		170,400	(152,676)	156,998			(4,322)				170,400
NJ School Construction- EFCFA	various		290,376	(10,243)				10,243				290,376
NJ School Construction- EFCFA	5150-150-05-1000		41,390	(33,468)				33,468				41,390
NJ School Construction- EFCFA	5150-130-04-1000		88,954	(72,126)				(16,828)				88,954
NJ School Construction- EFCFA	5150-060-05-1000		255,415	(212,721)	242,931			(30,210)				255,415
Total Capital Projects				<u>(1,768,622)</u>	<u>1,161,612</u>			<u>607,013</u>				<u>3,260,479</u>
State Department of Agriculture												
National School Lunch Program	13-100-010-3360-067	7/1/12-6/30/13	14,639		12,646	\$ 14,639			\$ (1,993)		\$ (1,993)	14,639
National School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	14,799	(960)	960			-				-
Total Enterprise Fund				<u>(960)</u>	<u>13,606</u>	<u>14,639</u>			<u>(1,993)</u>		<u>(1,993)</u>	<u>14,639</u>
Sub-Total State Financial Assistance				<u>\$ (3,716,745)</u>	<u>\$ 16,038,958</u>	<u>14,563,913</u>	<u>\$ 85,305</u>	<u>\$ 607,013</u>	<u>\$ (1,780,277)</u>	<u>\$ 4,961</u>	<u>\$ 55,324</u>	<u>\$ 17,824,392</u>
Less: On-Behalf TPAF Pension Contributions Not Subject to Single Audit and Major Program Determination						<u>(4,988,845)</u>						
Total State Financial Assistance Subject to Single Audit and Major Program Determination						<u>\$ 9,575,068</u>						

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

**TEANECK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Teaneck Board of Education. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$358,973 for the general fund and an increase of \$39,565 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 116,649	\$ 14,284,274	\$ 14,400,923
Special Revenue Fund	1,731,873	623,973	2,355,846
Food Service Fund	<u>604,152</u>	<u>14,639</u>	<u>618,791</u>
Total Financial Assistance	<u>\$ 2,452,674</u>	<u>\$ 14,922,886</u>	<u>\$ 17,375,560</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$2,572,870 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013. The amount reported as TPAF Pension System Contributions in the amount of \$2,341,359 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,647,986 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2013.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified yes X no

2) Were significant deficiency(ies) identified
that were not considered to be material
weakness(es)? yes X none reported

Noncompliance material to basic financial
statements noted? yes X no

Federal Awards Section

Internal Control over compliance:

1) Material weakness(es) identified yes X no

2) Were significant deficiency(ies) identified
that were not considered to be material
weakness(es)? yes X none reported

Type of auditor's report on compliance for
major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of Circular A-133? X yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I</u>
<u>84.027</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes X no

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified _____ yes _____ X no
- 2) Were significant deficiency(ies) identified
that were not considered to be material
weakness(es)? _____ yes _____ X none reported

Type of auditor's report on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with N.J. Circular Letter 04-04, as amended?

_____ yes _____ X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-014</u>	<u>Transportation Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>495-034-5095-002</u>	<u>Reimbursed TPAF Social Security</u>
<u>100-034-5120-066</u>	<u>Nonpublic Handicapped Aid (Chap. 193)</u>
_____	_____

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

_____ yes _____ X no

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

Finding 2013-1:

Our audit of the Special Revenue Fund revealed that in certain instances, purchase orders were issued subsequent to the receipt of an invoice from the vendor.

Federal Program Information:

84.027 IDEA Basic
84.173 IDEA Preschool

Criteria or Specific Requirement:

EDGAR, Part 80 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Section 20, Standards for Financial Management Systems.

Condition:

Several purchase orders relating to tuition were issued only after receipt of the receiving district's invoice for payment. Purchase orders are not being issued until tuition contracts have been approved by the Board which may be several months after student started attending at other district.

Context:

Employees responsible for budget cost centers should submit requisitions to the business office for issuance of a purchase order prior to incurring a liability.

Effect:

Funds were not encumbered prior to the liability being incurred.

Cause:

Unknown.

Recommendation:

Special Revenue Fund purchase orders be issued prior to the purchase of goods or rendering of services.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR STATE AWARDS

There are none.

**TEANECK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04, as amended.

STATUS OF PRIOR YEAR FINDINGS

Finding 2012-01

In prior years, the district expended significant Capital Funds on projects which have been identified as eligible for State reimbursement under an SDA grant agreement. During fiscal year 2011-2012, the District was able to recover \$2,458,875 of almost \$4.3 million outstanding at June 30, 2010. However as of June 30, 2011 \$1,768,625 remained uncollected. According to confirmation received from NJSDA, final payment has been made on several of these projects.

Status

Corrective action has been taken, except as indicated in the finding noted in "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance – June 30, 2013".